# MEETING OF THE STATE MINISTERS OF COMMUNITY DEVELOPMENT AT NEW DELHI

DEC. 1960

## SUMMARY RECORD OF THE PROCEEDINGS

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# AGENDA

## DEPARTMENT OF COMMUNITY DEVELOPMENT

1. Norms of self-help and self-reliance
2. Coordination of food production programme
3. Organisational set up for Community Development and Panchayati Raj at the State level
4. Panchayati Raj and Block as a unit of Planning and Development
5. Financial assistance to post stage II Blocks
6. Permanancy of staff in Community Development Blocks
7. Supply of jeeps or other modes of conveyance for the block staff
8. Promoting welfare of the weaker sections of the community
9. Decentralisation of industries
10. Main recommendations of the 6th meeting of the Central Council of Local Self Government on Panchayats and Panchayati Raj

## DEPARTMENT OF COOPERATION

11. Pilot Projects on Cooperative Farming
12. Service Cooperatives

## SUPPLEMENTARY ITEM

13. Need to avoid frequent transfer of personnel in charge of Development Programmes

## PROGRAMME OF THE MEETING (9-12-1960)

| | |
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| 9.00 to 9.45 A.M. . . . . | Welcome speech by the Minister (C.D.&C.). |
| 9.45 to 10.15 A.M. . . . . | Address by the Prime Minister. |
| 10.15 to 10.30 A.M. . . . . | Break for Coffee. |
| 10.30 A.M. to 1.00 P.M. . . . | Subject-matter discussions. |
| 1.00 to 3.00 P.M. . . . . | Lunch interval. |
| 3.00 to 4.30 P.M. . . . . | Subject-matter discussions. |
| 4.30 to 5.00 P.M. . . . . | Tea and refreshments |
| 5.00 to 6.00 P.M. . . . . | Subject-matter discussions and the concluding remarks of the Chairman. |

## PROCEEDINGS OF THE MEETING (SUMMARY RECORD)

Shri S. K. Dey, Minister for Community Development and Cooperation, welcomed the Prime Minister and explained the object of the meeting. (Summary of his speech is at Appendix I)

2. The Prime Minister then addressed the gathering. (Summary of his speech is at Appendix II). The Prime Minister then left the Conference.

3. The Agenda was then considered under the Chairmanship of Shri S. K. Dey, Minister for Community Development and Cooperation.

**1. Norms of self-help and self-reliance (Agenda Item—I):**

1.1. The Chairman observed that the object of introducing the norms was to find some incentive by which the people in the blocks could be encouraged to pay greater attention to the production programme rather than to a pure amenities programme. He recalled the decision of the Srinagar Conference that the annual release of funds to a block should be related to the efforts that have been made in the sphere of agricultural production and the subsequent decision of the Central Committee that mere effort was not enough and the basic test should be the actual increase in agricultural production. He added that the problem was how to measure the actual increase in agricultural production from year to year in a block.

1.2. Shri B. D. Jatti (Mysore) stated that the discretion with regard to the regulation of the release of funds should be left to the State Governments giving due allowance to the local conditions.

1.3. Shri F. A. Ahmed (Assam) agreed that it was necessary to find out whether the people were really making any efforts or not according to their own circumstances but that it would not be correct to judge on the basis of production in his State, efforts were washed away by floods.

1.4. Shri Bakshi Gulam Mohmad (Jammu & Kashmir) emphasised the need to make supplies and services available to the agriculturists in time. Otherwise their efforts were not likely to produce any encouraging results, and production would not be a central test.

1.5. Shri Gurbanta Singh and Shri Choudhry Dalbir Singh (Punjab) stated that supply of steel, fertilisers etc. must be assured before the responsibility for additional production is assigned to the agriculturists.

1.6. Shri Sriman Narayan (Planning Commission) observed that after making allocation for climatic factors, it should be possible to find out whether by our efforts it has been possible to make an effort on production or not. The States should strengthen their statistical organisation and conduct a large number of crop cutting experiments.

1.7. Shri Sita Ram Jajoo (Madhya Pradesh) said that in his State it was proposed to have crop cutting experiments on a wider basis.

1.8. The Chairman pointed out that there was general agreement on the principle that there should be an assessment of the production in the block after making allowances for natural calamaties etc. and that the norms can be only on the basis of efforts put in to increase agricultural production, the details to be worked out by each State Government according to their local conditions.

**2. Coordination of food production programme (Agenda Item—2):**

2.1. The Chairman drew attention to the complaint in some quarters that there was no proper coordination at the State level on the question of agricultural production. Though assistance came from the Centre, the programme did not get really implemented in an effective way. He requested Dr. Panjab Rao Deshmukh, Minister for Agriculture, to give his experiences on this issue.

2.2. Dr. Panjab Rao Deshmukh, Minister for Agriculture, recalled the decision of the Conference of Ministers of Agriculture that if the target fixed in the Third Plan were actually to be achieved, then there would have to be some stream-lining of administration so far as agricultural production was concerned. He pointed out that in Bihar there was proper coordination between the Departments of Agriculture and the Community Development Agency and requested that in all the States the resources of the Agriculture Department and the Community Development Agency should be properly utilised to ensure greater production.

2.3. Shri Daroga Prasad Roy (Bihar) explaining the set up in his State, pointed out that the Ministry of Agriculture at the State level was also incharge of Minor Irrigation, Community Development and Agriculture were under different Ministers but the Development Commissioner enjoys special status as Secretary over Secretaries of Development Deptt.

2.4. Shri F. A. Ahmad (Assam) said that besides the supplies and services, cooperatives, land reforms, communications, and flood control were also important factors to bring about increase in food production. There should be coordination from the Village level onwards. Panchayats and Panchayat Samitis had a great role to play in enlisting cooperation of the people. Even now, the technical control and supervision with regard to the agricultural programme vested in the Department of Agriculture. The Community Development agency had a direct role in the implementation of the various schemes.

2.5. Shri P. Ranga Reddy (Andhra Pradesh) said that there were adequate coordination in Andhra Pradesh.

2.6. Shri B. D. Jatti (Mysore) said that there was a cabinet sub-Committee under the Chairmanship of the Chief Minister incharge of the agricultural production programmes. The Development Commissioner was also the Commissioner for food production.

2.7. Shri Sita Ram Jajoo (Madhya Pradesh) emphasised that the B.D.O. was the coordinating officer at the level of the block and he should work in cooperation with representatives of all the Departments. In order that there may be coordinated control, the District heads of Technical Departments should be consulted with regard to the preparation of the confidential report of the B.D.O.

2.8. Shri B. G. Ghade (Maharashtra) said that there was a cabinet sub-committee with the Development Commissioner as its secretary and Minister for Agriculture, Minister for Community Development, and Minister for Public Works as members.

2.9. Shri L. P. Misra (Orissa) said that there was a cabinet sub-committee in Orissa for coordinating agricultural production programmes.

2.10. The Chairman observed that in Bihar the Agricultural work of the Gram Sevaks was controlled by the Agricultural Extension Officer, cooperative work was controlled by the Extension Officer Cooperation etc. at the block level and at the State level the Development Commissioner had been given the special rank of Principal Secretary of Government and he was responsible for coordinating the activities of all the Development Departments. He added that the same system more or less applied to all States.

2.11. The general question was that the existing arrangements were considered satisfactory and adequate. It was further felt that the official machinery should get in tune with the situation and give top priority to food production.

### 3. Organisational set up for Community Development and Panchayati Raj at the State level (Agenda Item—3):

3.1. The Chairman observed that Panchayati Raj was the main agency for implementing the programme of Community Development and in fact, of the programme of all Development Departments. It was, therefore, very necessary that the Development Commissioner, who was incharge of this programme, had a direct connection with the Panchayati Ra[illegible] the State, even if the Panchayat Minister and the Minister for Community Development happened to be the same person.

3.2. Shri B. D. Jatti (Mysore) stated that the two Departments had been reorganised and the Development Commissioner had been placed incharge of both Community Development and Panchayati Raj.

3.3. There was general agreement that a single officer in the Secretariat should be incharge of both Community Development and Panchayati Raj and he should be given adequate assistance both in the Secretariat and in the field, as regards Panchayati Raj work.

**4. Panchayati Raj and Block as a unit of Planning and Development (Agenda Item—4):**

4.1. The Chairman stated that according to the concept agreed to in the National Development Council, the Ministry of Community Development as also the Planning Commission had been requesting the State Governments to make the block the unit of Planning and Development. All the funds of the various Development Departments to be spent on project of local importance should be routed through the block and distributed through the block agency. But inspite of that decision and inspite of follow up, still parallel functioning was continuing in some States creating difficulties in the implementation of the Development programmes. He requested the Ministers to point out the genuine difficulties, if any, in the implementation of this decision so that special steps may be taken to remedy the situation. He added that with the implementation of Panchayati Raj, it was even more necessary that this principle was not merely accepted but also implemented strictly.

4.2. Shri P. Ranga Reddy (Andhra Pradesh) explained the experiences of his State on this issue. The Panchayat Samiti was incharge of the entire programme of development and the necessary funds from the various Development Departments were directly transferred to them and there was no difficulty in the implementation of the programmes. Even primary education was the complete responsibility of the Panchayats.

4.3. Shri N. M. Tidke (Maharashtra) observed that Minor Irrigation Works had been coordinated at the block level and the process would be gradually extended to the other fields of development also.

4.4. Shri Sriman Narayan (Planning Commission) emphasised the need to make the block the unit of Planning and Development, as the principle had been accepted and the success of the Third Five Year Plan depended on effective implementation at the block level. He added that works which could not be executed by the block agency may be taken care of by the Zilla Parishad and the State Government.

4.5. The Chairman pointed out that in Madras one of the significant happening after the block was made the unit of Planning and Development was that the teachers of primary schools received their pay on the second of the month and in Rajasthan enrolment in the schools increased by an appreciable percentage. Since the principle had been accepted, it would be implemented early. The State Governments would be free to decide when subjects like Education, Rural Industrialisation etc. may be entrusted to the Block Panchayat Samitis.

**5. Financial Assistance to Post Stage II Blocks (Agenda Item—5):**

5.1. Shri Sriman Narayan (Planning Commission) pointed out that there would not be any schematic budget after completion of Stage II. But the pattern of Development Administration would become the normal pattern and therefore it was for the Finance Commission to consider the liability of each State and make recommendations.

5.2. As the question "Committed expenditure" is common to several schemes dealt with by various Ministries, it was agreed that the whole question must be considered as an integrated whole and the matter left to the Third Finance Commission for examination and award.

**6. Permanency of Staff in Community Development Blocks (Agenda Item—6):**

6.1. The Chairman observed that Central Assistance was given to the States towards the expenditure on staff during Stage I and Stage II both through the block budget and as part of "Committed expenditure", to ensure that a permanent pattern of Development Administration was well established. It was for the States to take over the liability on this score, after this period of ten years and from the Third Plan. The Finance Commission should take this into account while making its award.

6.2. Shri F. A. Ahmad (Assam) stated that the general principle that a person who had served for a period of five years in any department should be made permanent, should be applied to the block staff also.

6.3. Shri B. D. Jatti (Mysore) said that the State Governments should take suitable steps to make the posts permanent. Pending finalisation of the Finance Commission award, the Central Assistance towards the expenditure on staff should be continued.

6.4. Shri L. P. Misra (Orissa) said that the slender resources of the States would not allow the liability to be taken over by them.

6.5. The Chairman observed that pending the decision of the Finance Commission the State Governments should make the posts permanent as early as possible. Individuals would be made permanent according to the rules and procedure prevalent in each State.

**7. Supply of Jeeps or other Modes of Conveyance for the Block Staff (Agenda Item—7):**

7.1. The Chairman observed that the proposal was to give financial assistance to the Block Staff for purchase of appropriate conveyances instead of the existing practice of providing each block with a jeep. The difficulties with regard to the profitable use of the jeep are going to be accentuated after the introduction of Panchayati Raj. He also placed before the Ministers the recommendation of the Staff Conference of Development Commissioners held on 8th December, 1960 that the existing jeeps should not be withdrawn and the State Governments may take

suitable action to extend the facility of advances for the purchase of conveyances to the block staff.

7.2. Shri F. A. Ahmad (Assam) stated that the jeeps already supplied should not be withdrawn, particularly when the responsibility was just being transferred to the non-officials.

7.3. Shri Daroga Prasad Roy (Bihar) said that the existing arrangement should continue if the President of the Panchayat Samiti is to have proper status and that it would be inexpedient to withdraw this facility. The misuse of jeeps could be controlled by suitable restrictions. Unless there was quick transport, it would not be possible for the block staff to fulfil their multifarious functions.

7.4. At this juncture, the Chairman pointed out that if a jeep had to be maintained in every block, a rigid procedure should be prescribed to ensure that the jeep was used strictly for purposes of the programme.

7.5. Shri L. P. Misra (Orissa) stated that the Orissa Government had issued a circular that the jeep could not be used within five miles of the area of the block headquarters, thereby restricting its indiscriminate use.

7.6. The Raja of Bhadri (Himachal Pradesh) stated that the Block Development Officer had a lot of paper work; unless he had a quick conveyance to finish his tours, he would not be able to dispose of his files. The possibilities of reducing the number of jeeps was always there.

7.7. Dr. R. Ahmed (West Bengal) stated that it was too late in the day to think of withdrawing the jeeps. The only rational solution to the problem would be to tighten the rules governing the use of jeeps.

7.8. Shri Gopi Nath Aman (Delhi) said that in many areas cycles could not be substituted for jeeps.

7.9. Shri Sriman Narayan (Planning Commission) said that the suggestion to have a pool of vehicles at the district level in order to rationalise their use was commendable. There was scope for reduction in the number of jeeps and it was a matter for each State to consider how best to effect the reduction.

7.10. Shri T. N. Singh (Planning Commission) said that it was not a policy matter to be decided by passing a resolution but it was a practical matter to be decided by the State Governments in the light of local conditions.

7.11. The Chairman observed that in a number of cases the availability of a fast conveyance like the jeep induced the staff to get back to the Headquarters quickly without making night halts in villages. The consensus of opinion was that existing jeeps should not be withdrawn, that provision must be made for advances to the various categories of

staff, both temporary and permanent for the purchase of suitable conveyances and that the procedures for the use of jeeps both by officials and non-officials should be tightened so as to avoid misuse. If any of the States wanted to pool the jeeps at the district or sub-divisional level, it was for them to do so.

**8. Promoting welfare of the weaker sections of the community (Agenda Item—8):**

8.1. Shri B. S. Murthy, Deputy Minister, Ministry of Community Development and Cooperation, explained that there was a general feeling that the benefits of the Community Development Programme were going more to the richer sections of the community. Therefore, it was proposed that the Panchayat Samitis should earmark funds out of the various departmental budgets specifically for the welfare of the weaker sections of the community. The funds already earmarked for particular sections like Scheduled Castes and Scheduled Tribes should be spent only on them. He added that a Study Group under the Chairmanship of Shri Jaya Prakash Narayan had been appointed to go into the question of providing assistance to the weaker sections of the community.

8.2. Shri F. A. Ahmad (Assam) observed that the weaker sections should be defined in terms of their economic conditions.

8.3. Shri Sriman Narayan (Planning Commission) observed that even the special funds set apart by the Home Ministry were intended for economically weak sections of the Scheduled Castes and Scheduled Tribes and so by weaker sections, we should always mean the economically weaker section.

8.4. Shri Daroga Prasad Roy (Bihar) emphasised that the funds allotted for the Scheduled Tribes and Scheduled Castes must not be utilised for economically weaker sections in other communities.

8.5. Shri Gurubanta Singh (Punjab) felt that the funds earmarked for the Scheduled Tribes and Scheduled Castes should be controlled at the State level instead of disbursing the same to the Zilla Parishads and to the Panchayat Samitis.

8.6. At this juncture, the Chairman pointed out that the funds specially earmarked for Scheduled Tribes and Scheduled Castes should be at the disposal of the State Government but spent in close coordination with the local organisations which should be set up by the Panchayat Samitis etc.

8.7. Shri B. S. Murthy, Deputy Minister, Ministry of Community Development and Cooperation, observed that the Panchayat Samitis should earmark an adequate percentage of their own funds for the uplift of the economically weaker sections of the community. Separate sub-committees with adequate powers at the Panchayat Samiti and

Panchayat levels should be constituted to look after this work. The rules for grant of loans and grant-in-aid assistance in favour of the weaker sections should be liberalised.

**9. Decentralisation of industries (Agenda Item—9).**

9.1. The Chairman outlined the two basic questions of the decentralisation of industries and rural industrialisation and requested Shri Manubhai Shah, Minister for Industries to give his views.

9.2. Shri Manubhai Shah, Minister for Industries stated that the first aspect was to disperse industry so as to give benefit of industrialisation to all the different regions in the country and simultaneously avoid industrialisation being concentrated in a few congested areas. This was a complex problem to be discussed by the various Ministries and Departments of Government. Decentralisation has been accepted as a National Policy and to the extent possible it has been established, both vertically and horizontally. But, no successful bid has so far been made towards rural industrialisation. Even though the efforts so far made did not produce any appreciable impact, if the State Governments go fast on Industrial estates with specifically concentrated attention, it was possible to industrialise rural areas. There should be a greater allocation in the Third Plan for rural industries. If rural industrialisation is not achieved in the Third Plan, then the dice would have been heavily loaded against it in the Fourth Plan. Then there will be gravitation towards more and more urbanisation and slums. Any deliberate attempt at rural industrialisation then will be more difficult than it is today. A firm policy is to be decided quickly.

9.3. Shri T. N. Singh (Planning Commission) stated that if a pattern of rural industrialisation was worked out after full consultation with the State Governments, it would receive the maximum support from all the people of the villages. The figures of the allocation of this sector in the various States and the programmes envisaged, must be collected and an integrated plan worked out.

9.4. Shri Sriman Narayan (Planning Commission) stated that the discussisons with the various State Governments by the Planning Commission indicated that the State Governments had not given the necessary priority to rural industrialisation. He suggested that this meeting should make it a declared policy that during the Third Plan no efforts will be spared towards rural industrialisation. In this connection, he stressed the need to fill up all the vacant posts of Industries Extension Officers in the blocks.

9.5. Shri B. D. Jatti (Mysore) stated that a corporation for small industries had been formed in Mysore State. Further a committee under the Chairmanship of the Minister for Small Scale Industries and having as

its members the Chairman of the various statutory and non-statutory Boards has been set up to supervise the planning and execution of industries in the block. In order to start Ancillary industries, additional funds should be made available.

9.6. Shri Manubhai Shah, Minister for Industries, emphasised that any sizeable allocation specifically for rural industrialisation could be considered only when there was a definite understanding that such allocations would be spent in rural areas and would under no circumstances be diverted for other uses.

**10. Main Recommendations of the Sixth Meeting of the Central Council of Local Self Government on Panchayats and Panchayati Raj (Agenda Item—10).**

The meeting noted the recommendations and the need to amend representation of the People's Act to provide representation to the Zilla Parishads in the legislatures of the States.

11. **Pilot Projects on Cooperative Farming (Agenda Item—11).**

11.1. The Chairman referred to the decision taken by the Ministry of Community Development regarding the formation of the National Cooperative Farming Advisory Board. He added that the State Ministers of Community Development, had a great responsibility for the implementation of the Cooperative Farming programme in the Pilot Project areas.

11.2. Shri Daroga Prasad Roy (Bihar) desired to know the extent of responsibility which the Minister for Community Development in the State could take in this matter as the subject pertained to the State Minister for Cooperation.

11.3. The Chairman observed that the Community Development Minister and his agency must be fully acquainted with the programme that was being implemented in the pilot project areas covered by Community Development Blocks so that due priority could be given to the programme.

12. **Service Cooperative (Agenda Item—12).**

The meeting noted the progress with regard to the establishment and the strengthening of service cooperatives.

13. **Need to avoid frequent transfer Staff of (Supplementary Item).**

The Chairman pointed out that if the block staff were frequently transferred efficiency suffered to a considerable extent. He placed before the Ministers the recommendations of the Staff Conference of Development Commissioners on this subject, namely, that except broadly for promotion or disciplinary reasons staff should not be transferred within a period of three years. This was accepted by the Conference.

# MAIN RECOMMENDATIONS AND CONCLUSIONS OF THE MEETING

**1. Norms of self-help and self-reliance (Agenda Item—I).**

The principle of applying certain norms of self-help and self-reliance before pre-extension blocks are converted to Stage I and funds are released annually to the blocks was accepted by the Ministers. However, the Ministers were of the view that it is not possible to assess the actual per acre increase in agricultural production in each block with their statistical organisation. Nor would such a test be fair as production depended on factors not in the control of the cultivators. They, therefore, recommended that the norms can be only on the basis of efforts put in to increase agricultural production, the details to be worked by each State Government according to their local conditions.

**2. Coordination of Food Production Programme (Agenda Item 2).**

The meeting reviewed the steps taken by the various States to achieve the coordinated working of the various departments in the field of agricultural production and considered the existing arrangement to be satisfactory and adequate. The meeting also emphasised the need for the official machinery to give top priority to food production.

**3. Organisation set-up for Community Development and Panchayati Raj at the State level (Agenda Item 3).**

The meeting agreed to the suggestion made in the agenda note, *viz.* to have a single officer in the Secretariat to be in charge of Community Development and Panchayati Raj programmes and to give him adequate assistance both in the Secretariat and in the field, by making the Development Commissioner *Ex-officio* Commissioner (Panchayats) and placing the Director of Panchayats immediately under him and giving the latter suitable Secretariat status, wherever necessary.

**4. Panchayati Raj and block as a unit of Planning and Development (Agenda Item 4).**

The meeting accepted this principle and considered that because of extraordinary or special conditions obtaining, individual State Governments should be left free to decide when subjects like education, rural industrialisation, etc. may be entrusted to the Block Panchayat Samitis.

**5. Financial assistance to Post Stage II Blocks (Agenda Item 5).**

As the question of committed expenditure is common to several schemes dealt with by various Ministries, it was agreed that the whole question must be considered as an integrated whole and the matter left to the Third Finance Commission for examination and award.

**6. Permanency of Staff in Community Development Blocks (Agenda Item 6).**

In view of the acceptance of the principle of the block as a unit of

Planning and Development and in view of the fact that most of the Extension Officers, are borne on the permanent cadres of the concerned development departments, it was agreed that all possible steps should be taken to make all block staff permanent, as early as possible.

7. **Supply of jeep or other modes of conveyance for the Block Staff (Agenda Item 7).**

7.1. The meeting accepted the recommendation of the Staff Conference of Development Commissioners held on 8th December, 1960 that (1) existing jeeps should not be withdrawn and (2) provision must be made for advances to various categories of staff, both temporary and permanent for the purchase of conveyance like cycles, etc. (3) procedures for the use of jeeps in the Block should be tightened so as to avoid misuse.

7.2. The meeting was also of the view that there is scope for reduction in the number and to ensure economy in use of vehicles and desired that the possibility of pooling vehicles at the District or Sub-Divisional level should be further examined by the State Governments.

8. **Promoting welfare of the weaker sections of the Community (Agenda Item 8).**

8.1. The meeting accepted the suggestion that special funds earmarked for backward classes, Scheduled Castes and Scheduled Tribes must be channelled through Panchayat Samiti and Panchayat but must be exclusively used by that body for the welfare of those classes for whom it is specifically earmarked. In addition, the meeting accepted the suggestion that the Panchayat Samitis should earmark an adequate percentage of its own funds for the uplift of the economically weaker sections of the community.

8.2. The meeting also accepted the recommendation (1) to constitute separate sub-committees with adequate powers at the Panchayat Samiti and Panchayat level to look after this work and (2) to liberalise the rules for grant of loans and grant-in-aid assistance in favour of the weaker sections.

9. **Decentralisation of industries (Agenda Item 9).**

At the instance of the Minister of Industries, Government of India, the meeting deferred consideration of the questions relating to geographic dispersal of industries and structural decentralisation of industries and discussed only the problem of Rural Industrialisation. The meeting was of the view that a bold lead in this regard must be given by the Central Ministries and the Planning Commission, as was done in the case of Panchayati Raj and Cooperative Farming, to ensure that rural industrialisation is given adequate attention in the 3rd Plan. Additional allocation must be provided in the 3rd Plan specially earmarked for this

purpose lest the existing pattern under which the urban areas continue to steal a march over rural areas in the matter of industrialisation, should be perpetuated.

**10. Main recommendations of the 6th meeting of the Central Council of Local Self Government on Panchayats and Panchayati Raj (Agenda Item 10).**

Noted.

**11. Pilot Projects on Cooperative Farming (Agenda Item 11).**

The meeting accepted the vital role of the Extension Agency and the block staff in the Pilot Projects on Cooperative Farming.

**12. Service Cooperatives (Agenda Item 12).**

Noted.

**13. Need to avoid frequent transfers of Staff (Supplementary Item).**

The meeting accepted the recommendation of the Staff Conference of Development Commissioners (8-12-1960) that except broadly for promotion or disciplinary reasons staff should not be transferred within a period of three years.

*Agenda Item* 1.—NORMS OF SELF-HELP AND-SELF-RELIANCE

The Central Committee on Community Development at a meeting held in 1958, decided that there should be some simple norms of performance laid down before the Community Development Programme is taken up in any new area or continued in an existing block. The norms were intended to test and ensure continuous self-help and self-reliance on the part of the people.

2. This matter was further discussed with the Development Commissioners during the Srinagar Conference and it was recommended that in order to give a proper orientation to the Community Development Programme, the release of funds annually should depend on the performance of the blocks which would be assessed on the basis of certain criteria to be laid down for that purpose. The basic idea was to stress the production programme of agriculture and village industries. The State Governments were accordingly requested to examine the proposal and the list of criteria sent by this Ministry and to revise it, wherever necessary in the light of conditions obtaining in their States. It was also suggested that the State Governments may lay down different criteria for different regions having regard to the conditions in each particular region. They were also requested to set up suitable Evaluation Committees for judging the performance of the blocks and for placing them in appropriate categories on the basis of their performance for the purpose of release of funds.

3. While almost all the State Governments have replied agreeing in principle with the application of norms and have also given details of how they would be applied in practice, they have not made it clear as to how the actual increase in agricultural production in blocks would be assessed.

4. The Central Committee on Community Development have, at a recent meeting, emphasised that the basic test should relate to the increase actually secured in agricultural production, and not merely on the efforts put in. The State Governments were addressed by this Ministry to consider this point also for laying down the norms. The State Governments are, therefore, requested to issue specific instructions on this point and make necessary arrangements for assessing the increase in agricultural production in blocks.

*Agenda Item* 2.—COORDINATION OF FOOD PRODUCTION PROGRAMMES

The Ministry of Community Development has always been aware of the importance of food production under the Community Development Programme and has been laying constant emphasis on it. Recently, the provision for agriculture and allied heads under the schematic budget has been raised by Rs. 60,000 to make a total provision of Rs. 4·50 lakhs. Further, diversion of funds from other non-productive heads towards agriculture has also been permitted so as to provide the largest amount of money out of the schematic budget for agriculture. In addition, it has also been suggested that annual release of funds to various Blocks will depend upon the increase in agricultural production that has been registered in the Blocks during the previous year. It has also been decided that 80 per cent of the V.L.W's time will be devoted to agriculture and during agricultural season his entire time should be devoted to agricultural work. Towards achieving this end, State Governments have also been requested to revise the job charts of V.L.Ws. specifying the items of work that he will have to do month by month and many State Governments have taken necessary action.

2. As regards coordination, certain arrangements already exist. At the Centre, coordination is achieved between the Ministry of Food & Agriculture and the Ministry of Community Development & Cooperation by having Coordination Committees at the Ministers' level and at the officers level to discuss subjects of common interest and evolve agreed lines of action. At the State level, as no single agency can look after the work of all the concerned Departments single-handed, the C.D. Programme was designed to provide a net-work of Administration from the State Headquarters down to the village level. Coordination must be provided all along the line beginning from the Chief Minister as Chairman of the State Development Committee and ending in the B.D.O. as the coordinator at the block level. This Ministry has been impressing on the State Governments the need of the Development Commissioner having sufficient powers for effecting this coordination at the official level, and for giving the food production programmes the high power drive that the national situation calls for; and the Ministry has delegated completely to the State Governments all powers in this behalf both for action in the field as also for allocation of funds.

3. To assess the situation, the Union Minister for Community Development and Cooperation recently wrote to the Chief Ministers of all States

to review the arrangements existing in this regard and suggest any alterations, if necessary, to improve the coordinated working of different departments in the field of agricultural production. A brief summary of the replies received from some of the Chief Ministers is given in the Annexure.

4. During the Third Five Year Plan the Community Development Programme has to play a still more important role in achieving the targets of agricultural production on the basis of the widest possible participation by local communities with technical assistance and supplies from the Agricultural Departments. It is therefore necessary that the Ministers may review the arrangements already made and suggest improvements if any.

## ANNEXURE (i) to Agenda item 2

*Gist of the replies received from the Chief Ministers of the States to the letter dated 9th September, 1960 from Minister, C.D. & C.*

### Andhra Pradesh

While agreeing that much more should be done to improve agriculture, it would not be correct to say that more progress could have been achieved by any administrative arrangement other than that what has been done under the C.D. Programme. Progress in the field of agriculture production was possible only when an integrated approach was made to rural life. It can no longer be said agriculture is not given the importance due to it. 80 per cent of the time of Gramsewak's is devoted to it. Job-charts have been revised. Further not only the support of the general administration is available to this programme, but today the prestige and powers of the people's institutions are also available under the scheme of Panchayati Raj. The people's representatives being themselves predominantly agriculturists would be the greatest champions of the programmes for increasing agricultural production.

Coordination of activities is one of the chief aims of the C.D. Programme. C.D. Programme is not a different pattern of staffing, but needs to be viewed more as a strengthening of the existing developmental staff and achieving coordination among them. The technical departments did not fully understand the distinction between administrative and technical control at the Block level, but this problem has now been effectively solved by the introduction of Panchayati Raj and there is no room for confusion now. Proper coordination can be achieved only if there is proper planning. Steps have been taken to see that agricultural production plans are prepared at every level.

There is no doubt that agricultural production has definitely increased in the C.D. areas, and further, if today, the whole of the administration outside the regular Agriculture Department is also oriented towards making efforts for increasing agricultural production, the chief credit for having achieved this emphasis and this attention belongs to the C.D. Programme.

### Assam

The greatest emphasis has been laid on agricultural production in the C.D. Programme. Field Management Committees have been formed throughout the State to look after the needs of every field. These Committees are represented adequately in the Agricultural Sub-Committees of

the Panchayats so that the Panchayat organisation is mobilised for increasing agricultural production.

At the block level the B.D.O. is the leader of the team of technical experts. At the district level and sub-divisional levels the Deputy Commissioner and the Sub-Divisional Officer have been given the power to coordinate the activities of all the Officers of the different departments. Under the new Assam Panchayat Act, the Deputy Commissioner or the Sub-Divisional Officer will not preside over the elected Mohokuma Parishad but will effect necessary coordination. At the State level, the Development Commissioner coordinates the activities of all Heads of Departments. He meets them frequently and coordinates the activities of the different Development Departments for increasing agriculture production. There is a State Development Committee which reviews the position from time to time and gives necessary guidance and directions. Coordination has not been smooth in every case. Whenever individual cases of lack of coordination are noticed, correctives are applied immediately.

**Kerala**

The Chief Minister fully agrees that the C.D. Programme should be geared for increased agricultural production.

**Madras**

There have been few problems regarding coordination at various levels. There is a continuous exchange of views between the Development Commissioner and the Secretaries to the Government and Heads of Departments concerned with various programmes. Necessary coordination and guidance are also given by the Ministers concerned.

The situation is bound to improve with the introduction of Panchayati Raj which would devolve responsibility on the Panchayat Unions. Nevertheless, it would be a mistake to under-rate the value of work done or the progress achieved so far in ensuring coordination at various levels.

There is also little justification for thinking that any top level changes in the Government of India will make much difference to the States.

**Maharashtra**

Adequate arrangements for coordinating the agricultural production programme have been made at the State, district and taluka levels. The C.D. Programme is recognised as the channel through which all the other Welfare Departments should undertake their programmes. The Collector, who is responsible for the implementation of the Programme in the District, is assisted by Project Officers who are the coordinating authorities. The Heads of Development Departments maintain constant touch

with the Project Officers and the Collectors and ensure that effective coordination is achieved. At the State level, there is a State Development Committee.

The V.L.W's job chart has been revised so that 70 to 80 per cent of his time is devoted to matters pertaining to agricultural production.

**Mysore**

At the village level, the entire agricultural programme reaches the villager through the V.L.W. whose job chart has been recast emphasising the importance to agricultural activities. At the Block level, the Extension Officers for Agriculture and Cooperation are made members of the Block team. An integrated Irrigation Programme drawing funds from the P.W.D. budget and the Block Budget, is being worked out in every block for increasing irrigation facilities.

At the district level, there is a District Coordination Committee of which the District Agricultural Officer and the Assistant Registrar, among other, are members; the Deputy Commissioner is the Chairman. At the State level, there is a Cabinet Sub-Committee on agricultural programmes. The Chief Secretary is the Development Commissioner and the Secretary, Planning and Development is the Additional Development Commissioner. For effective coordination, the Secretaries and the Heads of Departments meet from time to time. Village and area agriculture production plans are being prepared on the basis of instructions issued in joint consultation between Planning and Development Department and Department of Agriculture. Coordination has also been brought about in assessing needs and working out priorities.

**Orissa**

The organisational set-up for coordination between the various agencies for agricultural production is basically sound and considerable progress has been achieved during the last 3 to 4 years. At the district level, a committee under the Chairmanship of the Collector has been formed for planning and executing Minor Irrigation and Agricultural schemes in a coordinated manner.

At the State level, a whole-time officer has been appointed as Development Commissioner for effective coordination. Development Commissioner maintains close contact with the field and ensures that there is effective coordination between the Agriculture Department and the C.D. Organisation. A committee with the Chief Minister as the Chairman and the Minister for Community Development (Agriculture, Cooperation, Veterinary, Fisheries, and Forests) and Minister, Works (Irrigation) as members, has been constituted for expeditious disposal of problems relating to coordination.

**West Bengal**

At the Block level, the Block Development Committee functions as the coordinating body. The B.D.O. reviews the progress at the staff meeting.

At the District level, the progress is reviewed by the District Collector at the monthly Staff meeting. The District Agricultural Officer holds a quarterly meeting with all the B.D.Os and the Agricultural Extension Officers when the problems arising in the field are discussed.

At the State level, the State Development Board, presided over by the Chief Minister, deals with the policy matters regarding agriculture and other subjects under the C.D. Programme. One and the same officer holds key posts for both Community Development and Extension Service Department and the Agriculture and Food Production Departments. Thus, the Additional Secretary in the C.D. and N.E.S. Departments is also the Director General in the Agriculture and Food Production Departments.

A Deputy Director of the Agriculture Department is placed at the disposal of C.D. and N.E.S. Department to function as its Agronomist and for effective liaison between the two Departments and closer supervision of the programme in the blocks.

**Annexure (ii) to Agenda item 2**

*Gist of reply received from Chief Minister of Bihar to the letter dated 9th September,* 1960 *from Minister C.D.&C.*

**Bihar**

In Bihar the work of all Departments of Government, particularly the Departments connected with the agricultural production programme, has been coordinated through the Block at the Block level. The District Officer and Divisional Commissioner exercise similar functions at the district and divisional levels, and the Development Commissioner, at State Headquarters is a Principal Secretary to Government in all the Development Departments. He has direct access to all the Ministers and also to all the Secretaries and Heads of Departments at headquarters, besides being in touch with the Divisional Commissioners and District Officers. The Community Development Organisation is functioning very largely as a limb of the Agriculutre Department, while it is also doing, simultaneously, the work of other departments of Government, and there has been no lack of mutual cooperation between the different departments of Government concerned, or between any of them and the Community Development Organisation.

**Annexure (iii) to Agenda item 2**

*Gist of reply received from Chief Minister of Rajasthan to the letter dated 9th September, 1960 from Minister C.D.&C.*

**Rajasthan**

The C.D. Programme and the Extension Services have played a significant part in revitalising the agricultural economy and Rajasthan which was originally a deficit State in food grains, is now a marginally surplus area. The satisfactory progress on all fronts such as agriculture, animal husbandry, use of improved practices and implements, irrigation etc. has been possible mainly due to the guidance, impetus and coordination provided by the Development administration. With the advent of Panchayati Raj, the character of the administrative organisation has changed radically.

There is no lack of coordination between Agriculture and Development Departments. At the State level, the Coordination Committee of officials headed by the Development Commissioner, irons out all points of differences. At the district level, the Zila Parishads with the non-official institutions and the Collector with the Heads of the Development Departments ensure proper coordination. At the block level, all the programmes are channeled through the Panchayat Samitis, which also can modify the programmes to suit local conditions. The Panchayat Samitis are showing a keen awareness and sense of responsibility towards the implementation of agricultural programmes.

The importance of the production programmes is also emphasised in the Panchayat Samiti competitions where more than half the marks are allotted to items connected directly with production. A sum of Rs. 35,000 out of Rs. 50,000 given as an *ad hoc* grant to the shadow and pre-extension blocks is earmarked for irrigation and agriculture. In the training of gram sevaks, greater attention is paid to practical training in agriculture.

*Agenda Item No.* 3.—ORGANISATIONAL SET-UP FOR COMMUNITY DEVELOPMENT AND PANCHAYATI RAJ AT THE STATE LEVEL.

Generally, in the various States, a senior officer has been placed incharge of Community Development and Planning in the Secretariat. This has been ensured by giving Secretariat status to the Development Commissioner.

2. With the implementation of Panchayati Raj and the block becoming the Unit of Planning and Development, the two subjects of "Community Development" and "Panchayati Raj" are closely interlinked and it has become increasingly necessary to have a single officer in the Secretariat to be incharge of both these subjects.

3. It will be necessary for this officer to be given assistance both in the Secretariat and in the field. This could be achieved by making the Development Commissioner Ex-officio Commissioner of Panchayats and placing the Director of Panchayats immediately under him and giving that officer suitable Secretariat status, wherever necessary.

4. This suggestion is for consideration of the Ministers.

*Agenda Item No.* 4.—PANCHAYATI RAJ AND BLOCK AS A UNIT OF PLANNING AND DEVELOPMENT.

With the progress in the establishment of Panchayati Raj in the States, the principle of treating the block as a Unit of planning and development has assumed greater importance. The State Governments have been requested to implement this decision of treating the block as a unit of planning and development by drawing up block plans annually with reference to local needs. Once the State budget is finalised, the outlay proposed for the block under each head of development could be indicated to the blocks by the State Governments, and the block authorities left to themselves to determine the size of their block plans, as long as the additional resources over and above what would be made available by the Government are raised by the Block Panchayat Samitis and Panchayats on their own initiative, and there is no demand for additional assistance from outside beyond that indicated by the State Government. It is hoped that all the State Governments will implement these decisions and will get the annual plans prepared at the block level from 1961-62 onwards.

2. One of the important corollaries of this principle will be that all developmental expenditure of various Development Departments of the State on schemes which can be implemented at or below the block level should be necessarily routed through the Block and implemented through the block agency as far as possible. For this purpose the State Budget needs to be analysed and funds in respect of those schemes which can be implemented at or below the block level should be transferred to the Block. Some States have already done this and it is hoped that all the States will do it at least from the next financial year. To facilitate this process, it is also desirable that the administrative jurisdictions of the various officials of the Development Departments at the lowest level are made coterminus with that of the block and all these officers made members of the Block Team. The Block Development Officer should also be made the coordinating Officer and wherever possible also the Drawing and Disbursing Officer in respect of expenditure on schemes for which responsibility for planning and execution is assigned by the State Government to the Block organisation, and, therefore, falls within the

*Agenda Item No.* 5.—FINANCIAL ASSISTANCE TO POST STAGE II BLOCKS.

The Srinagar Conference has recommended that the Central assistance to post Stage II Blocks should be continued during the Third Plan. This recommendation has been examined. Community Development is essentially work in the State field and the Central Government cannot be expected to continue assistance to recurring expenditure in the State field indefinitely. In the light of this the problem can be viewed in two parts:—

(i) *Expenditure on Staff.*—After allowing for cost of existing staff and committed expenditure on staff on National Extension Service pattern, the provision for staff expenditure in Stage I and stage II is Rs. 2.6 lakhs and Rs. 70,000 respectively. 50 per cent of this is given as Central Assistance. It may, thus, be seen that the Central assistance gets reduced to Rs. 35,000 in stage II from Rs. 1.3 lakhs in Stage I. On the same analogy further decrease in Central assistance by abolition thereof will not be unreasonable in respect of the post stage II Blocks.

(ii) *Expenditure on Programmes.*—As regards the development by the date stage II is reached, the system of channelising all development expenditure through Blocks must have been well established. This will definitely come into operation wherever Panchayati Raj is established. A nucleus for development expenditure which was provided in the schematic budget when Panchayati Raj did not exist would, therefore, not be essential. Besides, orders have already issued giving priority to post Stage II Blocks as far as the extent of the local development works funds are concerned.

2. It is not contemplated that States should receive no assistance whatever in respect of post stage II Blocks. The burden of expenditure that falls on the States can be taken into account by the Finance Commission in determining the revenue gap of the States and the quantum of assistance from Central sources of revenue.

3. The Conference may consider the above aspects along with the fact that the outlay available for Community Development Programme during the Third Five Year Plan is already very much less than that necessary to fulfil the programme in the Blocks as per the phasing already determined.

*Agenda Item No.* 6.—PERMANENCY OF STAFF IN COMMUNITY DEVELOPMENT BLOCKS.

The State Governments have been, time and again, requested to consider the question of making the posts in the Blocks permanent on the basis that the National Extension Service staffing pattern will be the permanent pattern of Development Administration in the Blocks. A review of the replies received from the State Governments reveals that there has not been much progress in this regard. Since the revision of the Community Development Programme with effect from 1st April 1958, the staffing pattern obtaining in Stage II Blocks has been envisaged to be the permanent pattern. This problem has assumed greater significance with the implementation of Panchayati Ràj and the Block emerging as the Unit of Planning and Development. It is necessary that the staff working in the Community Development Blocks should have security of service, so that they will be able to work with zeal and devotion to duty.

2. The Conference may review the steps taken so far by the States **in this regard.**

*Agenda Item No.* 7.—SUPPLY OF JEEPS OR OTHER MODES OF CONVEYANCE FOR THE BLOCK STAFF.

At present, one jeep is normally supplied to each Community Development Block. While a jeep was provided for each block in order to make the block staff mobile throughout their jurisdiction, experience has shown that this arrangement has many limitations:—

(i) There have been frequent complaints for misuse of the block jeep and these complaints are not without some foundations.

(ii) A jeep has to be shared by the Block Development Officer and the Extension Officers, of whom there are as many as seven. This can be done only on agreed programmes drawn up in advance. Even legitimate tours are likely to be postponed by officers till their turn for the use of the jeep, or the jeep is likely to be exclusively used by the Block Development Officer or there is likely to be dispute and misunderstanding regarding the use of the vehicle by all the officials.

(iii) The demands of the block jeep by other visiting officials are also heavy.

(iv) With the coming into force of the Panchayati Raj, the claimants to jeep will increase—Pramukhs, Up Pramukhs, Chairman of functional committees etc. All the above difficulties will become accentuated and lead to misunderstandings between the President and other non-official members of the Panchayat Samiti *inter-se* and also between them and the Block Development Officers and officials. Considerable time is likely to be wasted in solving these problems rather than in doing legitimate work.

(v) The cost of maintenance of these vehicles has also become high. For want of adequate servicing and repair facilities in most of the block areas, the vehicles have to be sent to distant places for servicing and repairs.

(vi) Replacement of vehicles which have become worn out and unserviceable will have to be made from out of the State Government resources as there is no provision for the purpose in the Block Budget.

2. It has been suggested that a more economical and efficient way to make the block staff mobile is to enable them to equip themselves with

conveyances like bicycles, powered cycles, scooters, motor cycles, etc. It is suggested that interest-free advances to be recovered in easy instalments may be given to the block staff both temporary and permanent for the purchase of such conveyances. Conveyance allowance may also be given to the staff for the maintenance of such vehicles. The question whether permanent travelling allowance may be fixed for each category of staff with the obligation to maintain conveyance appropriate to the nature of work, may also be considered.

3. If the above proposal is accepted, a decision will be necessary regarding existing jeeps. Those that are serviceable can be withdrawn and a pool of such jeeps maintained at District Headquarters or other similar places for use, while travelling on duty, of officers and non-officials. The users could pay the charges, which may be fixed on a reasonable basis, and claim their Travelling Allowances under the rules.

*Agenda Item No.* 8.—PROMOTING WELFARE OF THE WEAKER SECTIONS OF THE COMMUNITY.

The question of extending the benefit of the Community Development Programme to scheduled castes, scheduled tribes and other weaker sections of the community has been engaging the attention of all concerned for some time past. The Annual Conference on Community Development held at Srinagar in June, 1960 recognised that some concrete steps had to be taken to specially promote the welfare of the weaker sections. The problem was again considered at the Sixth Meeting of the Central Council of Local Self-Government (Panchayats) held at Bangalore in early November, 1960 and one of the important recommendations made was that a Study Group should be constituted to study, in all its aspects, the problem of the weaker sections of the community with special reference to the content of the Community Development Programme meant for them and the role that the Panchayati Raj Institutions at the Zilla, Block and village levels can play to implement the same.

2. It has been suggested that the funds specially earmarked for the welfare of the weaker sections of the community should be placed at the disposal of Panchayats, Panchayat Samitis and Zilla Parishads and these bodies be left free to formulate detailed programmes of development for these people in their areas. The other view is that State Departments should control the funds and regulate their release to the local bodies for implementation of specific, approved programmes.

3. A further suggestion put forward is that a specific minimum percentage of the funds of the local elected bodies should also be earmarked for the exclusive benefit of the weaker sections. For this purpose, the programme of the service departments may be drawn up according to two schedules—schedule 1 to contain all the development plans of the departments and schedule 2 to contain those plans, included also in schedule 1, which will benefit exclusively or mostly the backward classes.

4. In order to ensure effective implementation of the development programmes for the welfare of the weaker sections, a separate sub-committee of the Panchayats and Panchayat Samitis may be constituted. This committee should have an adequate number of representatives of the weaker sections of the population of the area and the power to incur expenditure upto a certain specified limit in each case. A contrary view is that such an exclusive sub-committee will not be able to deliver the goods; the problems are so important as to be considered by the entire



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elected body, *i.e.*, the Samiti. It is claimed that if the Samiti as a whole is seized of the problems greater justice is likely to be done to the cause of the hitherto neglected people. Whether funds exclusively earmarked for the welfare of the weaker sections would be fully and properly utilised would depend on the conditions attached to their utilisation. Obviously, such conditions will have to be lenient. Rules for governing the offer of security for loans, for instance, must be liberalised. Similarly in respect of grants in aid, the quantum of matching contribution from the people must be lower than the percentage normally prescribed.

5. The Conference may like to consider whether the following concrete steps will meet the requirements of the situation and suggest further measures:—

(a) Departmental funds either specially earmarked or otherwise provided out of the general budget for the welfare and development of the weaker sections of the community should be placed at the disposal of Panchayats and Panchayat Samitis to be spent at their discretion to meet the felt needs of the weaker sections within the broad pattern laid down by the State.

(b) Every Panchayat Samiti should earmarked a percentage of its own funds, depending on the proportion of the population of the area constituting the weaker sections of community for their economic development and welfare.

(c) A separate sub-committee should be constituted at the Panchayat and Panchayat Samiti level to look after this programme with powers to incur expenditure up to a specified limit. This will make for quick implementation of the programme.

(d) Rules regarding grant of loans and percentage of contribution in grant-in-aid programmes should be further liberalised in favour of the weaker sections.

*Agenda Item No. 9.*—DECENTRALISATION OF INDUSTRIES

I. It has been the tendency of industries to concentrate in metropolitan cities and towns and new units to spring up around old units. For socio-economic reasons positive action is necessary to decentralise and disperse industries in the country. Decentralisation of industries may refer either to the geographical dispersal of industries or to the economic structure of the industries *i.e.* the devolution of management or splitting up of production among several units. The following are some of the steps suggested towards this objective:—

1. The licensing policy of the Government of India under the 'Industries Development and Regulation Act' should be effectively used as an instrument for dispersing industries in new areas, where facilities for development of industries already exist. Government should follow not only a negative role of refusing industries in selected areas, but should also persuade the industrialists to locate them in new areas.

2. In under-developed and backward areas where facilities required for industrial development do not exist, the Government have to create the necessary conditions to attract industries. In such backward areas action on the part of Government is called for to provide electricity, transport, and communication facilities, post-offices, medical and educational facilities, banks etc. In addition to providing these facilities incentives like reduction in electricity tariffs and water rates, preferential allotment of raw materials and credit facilities, etc. may also be made available to the units located in such under-developed and backward areas.

3. The licensing authority of the Government can also be used for directing structural dispersal of industries. In the case of new industries as well as expansions of the existing units, whether in the private or public sector, it should be examined whether the manufacture cannot be decentralised in whole or in part. Based on expert advice, it should be enforced that a certain percentage of parts and components required for the proposed industrial units should be manufactured through small units whether worked as small scale factories or on a cottage industry basis. Such small units may be afforded all necessary facilities for purpose of training craftsmen and also making available technical knowhow in maintaining production according to the standards and other requirements *i.e.* raw materials, through the large units under whose guidance they may develop.

4. A start has recently been made in this direction in promoting ancillaries to large industries, but more active steps have to be taken

in the future to achieve the goal of decentralisation of industries. The rural industrial estates could be used with advantage for promoting ancillary industries.

5. Regional self-sufficiency and integrated area development for suitable geographic units may also be attempted in close collaboration with the Khadi and Village Industries Commission and other Boards in this field. These integrated areas of development will be selected depending on the preparedness of the people to consume the goods locally produced, that raw materials needed for the industries catering to primary needs of life are locally available and that a minimum wage rate not less than that of the average rate prevalent for unskilled labour could be assured.

6. This meeting is requested to approve of—

(i) geographic dispersal of industries,

(a) by positive application of the licensing policy,

(b) by incentives in regard to specially backward or under-developed areas,

(ii) structural decentralisation of industry by setting up appropriate smaller units; and

(iii) regional self-sufficiency and integrated area development.

*Agenda Item No.* 10.—MAIN RECOMMENDATIONS OF THE 6TH MEETING OF THE CENTRAL COUNCIL OF LOCAL SELF GOVERNMENT ON PANCHAYATS AND PANCHAYATI RAJ.

The main recommendations and conclusions of the Sixth meeting of the Central Council of Local-Self Government held at Bangalore in November, 1960 have been separately circulated to the State Governments. The following recommendations, however, call for urgent action:—

1. *Role of Panchayat Samitis in the field of village production programme including mobilisation of manpower* (vide *recommendation No.* 1·1 *to* 1·4).

In order that the Panchayats and Panchayat Samitis draw up realistic programmes on a sound financial basis, an indication of the resources which may be available to them should be given well in advance. It is also recommended that wherever additional staff are appointed for intensive agricultural development, such staff should form part of the Block Team under the control of the Block Development Committee/Panchayat Samitis.

2. *Role of Panchayats and Panchayat Samitis in promoting welfare of the weaker sections of the community* (vide *recommendation No.* 2·1 *to* 2·5).

The L.S.G. Conference recommended that funds should be earmarked for specific programmes for the welfare of the weaker sections of the community and all such funds in the Central and State budgets should be channelled through the Panchayat Samitis. The Panchayat Samitis should have a sub-committee to look after these programmes if so necessary. Rules for granting loans to the weaker sections should be liberalised and matching contributions for grants-in-aid programmes may, if necessary, be further lowered.

3. *Role of voluntary organisations in Panchayati Raj* (vide *recommendation No.* 2·6 *and* 2·7).

The voluntary organisations should as far as possible work in cooperation with Panchayat Samitis. Money to be given to these organisations for specific items of development should be channelled through the State Governments; this will naturally flow to the Zilla Parishads and Panchayat Samitis under the Panchayati Raj system.

4. *Pilot project for agro-industrial development of the community* (vide *recommendation No.* 4·3).

It was recommended that one block in each State should be selected as a pilot project for the above purpose. A complete socio-economic survey may be made, and based on the results of this survey suitable programmes for the fullest utilisation of human and material resources may be evolved. These projects will reveal the pattern desirable for agro-industrial aimed at production basically or largely for local consumption.

5. *Relationship between the elected bodies at the village. Block and District levels* inter-se *and between these bodies and officials.* (Vide *recommendation No.* 6·1 *to* 6·9).

It was recommended that as far as practicable the Collector should be kept outside the three-tier system and should be the Agent of the Government in the field with the duty to keep the Government informed of the happenings and trend of events. Where the District level body is, in its functions, a mere coordinating and advisory body, the Collector should be associated with it more closely than where it is an executive body. The Collector and S.D.O. should inspect the Panchayats and Panchayat Samitis.

The elected bodies should deliberate and decide, but the implementation of the decisions taken by them should be left to the permanent officials.

6. *Resources of the Panchayats* (vide *Recommendation No.* 7·1 *to* 7·4).

Proper guide lines should be given to the Panchayats for the preparation of their programmes and budget. The programme should reflect the genuine needs of the people and should have an adequate resources-base. The budget should not have a deficit and should have a minimum opening balance. It should also provide for recurring and committed expenditure on staff, loans, etc.

It was recommended that if the Panchayat drew up a programme which was in excess of the grants available to it from the Government, and also the income from various taxes which it was entitled to levy, the Panchayat should raise additional resources to meet the gap in the form of surcharge on existing taxes and/or special development taxes on all persons. The latter tax could be paid by offering labour or equivalent value. To be equitable, it must be on a graded system.

It was recommended that as large a percentage of land revenue as possible should be transferred to Gram Panchayats at an early date.

7. *Representations of Panchayats and Panchayat Samitis and Zilla Parishads in the Upper House of the State Legislatures* (vide *recommendation No.* 11·1 *to* 11·2).

Like the National Development Council at the national level, every State should have State Development Councils and reconstitute it if one

already exists, in order to give adequate representation to the Zilla Parishads.

Panchayats, Panchayat Samitis and Zilla Parishads should be given due representation in the Upper Houses of the State Legislatures by suitably amending the Representation of the People's Act of 1950.

8. *Set up and functions of the Panchayati Raj organisations at the State, District and Block levels* (vide *recommendation No.* 13·1 *to* 13·8).

The Department of Community Development and Panchayats should be merged at the Secretariat level and the integrated department should be in the charge of the Development Commissioner with *ex-officio* secretariat status. He should be assisted by a Director of Panchayats or a Joint Development Commissioner (Panchayats) with suitable secretariat status.

At the District level, there should be District Planning-*cum*-District Panchayat Officer who should also be the Secretary of the District Development Committee. He will be the Secretary of the Zilla Parishad when it comes into existence.

The Block Development Officer being the Chief Executive Officer of the Panchayat Samitis will have considerable secretariat work to do. He should, therefore, be given extra assistance wherever necessary, so that he could attend to his field and supervisory work.

The V.L.W. should not be called upon to work as Secretary of the Panchayat. The Panchayat should have a part-time or whole-time Secretary and the grouping should be done in consideration of the capacity of the Panchayats to pay, area covered, the load of work, etc.

There should be a separate, well organised and adequate Audit organisation to deal with the accounts of the Panchayat and the higher bodies. This should be under the Finance Department. In the initial stages this organisation should also play the role of an educator in guiding the Panchayats in proper account keeping.

*Agenda Item No.* 11.—PILOT PROJECTS ON COOPERATIVE FARMING.

*Programme in the Third Plan*

The Government of India have accepted the recommendation of the Working Group that 320 carefully planned pilot projects should be carried out in selected community development blocks. The idea is that there should be one pilot project per district. In every project a few villages should be selected as the starting points and cooperative farming societies organised in and around them according to the response received from the people.

2. The programme accepted by the States in Third Plan discussions has been summarised in Annexure 1 enclosed. A sum of Rs. 494·59 lakhs is being provided for financial assistance for the 318 pilot projects. A separate provision for education and training programme has also been made as discussed below. The cost of the special staff required has been included under the general head "Departmental Staff".

3. Having realised the need for acquainting the farmers and the staff with the methods and techniques of cooperative farming, the Government of India have agreed that in the Third Five Year Plan facilities for training in cooperative farming be provided at 50 extension training centres which have farms attached to them or near which there are successful cooperative farms.

*Programme for* 1960-61

4. As a great deal of preparatory work has yet to be done especially in regard to reorientation of the staff in charge of cooperative farming at various levels, it is not proposed to launch any pilot project during the remaining 4½ months of the current year. This period would be utilised for holding a seminar of state level workers (both officials and non-officials) and orientation courses for those who will be in charge of pilot projects. Other arrangements necessary will be completed in this period so that the programme could be launched in all states simultaneously in the month of April, 1961.

*Programme for* 1961-62

5. During the course of discussions held so far with 15 states, a programme of 71 pilot projects for the year 1961-62 has been agreed to. The state-wise distribution is shown in Annexure I enclosed. Provision according to the accepted pattern for financial assistance (Annexure II) to the societies in the pilot project areas is being made.

*Guiding principles for the pilot project programme of cooperative farming*

6. The basic purpose of cooperative farming is to increase the living standard of the farmers whether small land-owners or landless persons through self-help, mutual aid and institutional assistance. Untapped resources can thus be fully utilised, agricultural production increased and scope of employment improved. It is a democratic institution organised voluntarily by the farmers for managing their own affairs more efficiently and for achieving greater cohesion.

*Production programme*

7. For providing sound foundations for improvement in the rural economy of which agriculture is the backbone, every society will have to formulate a production programme very carefully. The programme should fit into the overall scheme of village development. In fact, the programme of cooperative farming society should be an important and integral part of the total village plan.

8. The wide variations in soil and climate conditions as also the ability of farmers to adopt improved techniques are important factors which have to be taken into account. The scheme evolved should suit the genius of the people and the local conditions and a pattern or patterns laid down either from the Central or state head-quarters may not work in the field. A fixed formula or formulae are likely to be of little avail. This is the reason for undertaking pilot projects under different conditions.

*Development of village and small industries*

9. The society should adopt labour intensive methods in agriculture and develop mixed farming, dairying, poultry, etc. Village and small scale industries should also be organised. In organising such industries care should be taken to see that the society does not deviate from the primary task of increasing agricultural production. The schemes for developing industries should lead to fuller and better utilisation of local resources.

*Societies in pilot projects*

10. The pilot project should have a substantial number of new societies and too many existing societies should not be included. There should be no objection, however, to inclusion of about 10 per cent of the existing genuine and promising societies in the pilot projects for the country as a whole.

11. The following principles may be adopted in organising societies in pilot projects:

(i) The societies should be organised voluntarily. There should be no compulsion in any form.

(ii) The bulk of the members should be small cultivators or landless persons or both.

(iii) Land should be pooled for a minimum period of 5 years. Withdrawal during this period might be allowed only in exceptional circumstances, *e.g.*, a member leaving the village.

(iv) Intensive cultivation through labour intensive methods should be the main activity of the farm. However, ancillary activities like poultry, dairying, and cottage and small scale industries should be promoted. Maximum utilisation of local resources should be stressed.

(v) Good working conditions and better human relations reduce tensions and facilitate working together.

(vi) Societies organised merely for securing financial assistance should not be helped.

(vii) The programme of consolidation of holdings should be coordinated with cooperative farming. It would be desirable to start pilot project societies in areas where consolidation work has been completed or where it is in progress. Consolidation of holdings should, however, not be a prerequisite to the formation of societies.

12. Pilot projects should, to the maximum possible extent, be located in C.D. Blocks where the cooperative movement and Panchayati Raj have made headway. In such areas the climate would be favourable to cooperative farming. The people will be acquainted with their rights and duties in democratic organisations.

13. Societies may be started on existing cultivated holdings, newly reclaimed lands and lands obtained as a result of ceilings on land holdings. The soil and climatic conditions of the area should also be carefully studied and distress area or areas frequently subject to floods and droughts should not be selected for launching the programme in the first instance.

14. Availability of good local leaders and devoted selfless workers is the most important single factor in the success of a society. The C.D. and N.E.S. areas selected for pilot project may have workers of Gandhi Samarak Nidhi, Sarva Seva Sangh, Khadi Commission and other agencies. It would be desirable to enlist their support and that of other workers. By coordinating the work in this maner it may be possible to pool the aid available from different sources and put the same to optimum use.

15. It would be recalled that at the Central level the Government of India have constituted a National Cooperative Farming Advisory Board for planning and promoting programmes of cooperative farming. A copy of the Government Resolution regarding constitution of the Board is enclosed Annexure III. The first meeting of the Board was held on 19th November, 1960. It approved generally the programme outlined in this note.

16. In the selection of districts for pilot projects the State Governments should consult State Advisory Boards on Cooperative Farming wherever they are in existence. Where the State Boards have not been established the selection may be finalised in consultation with a small committee consisting of Ministers for Community Development, Agriculture and Cooperation, Director of Agriculture, Registrar of Cooperative Societies, Development Commissioner and some non-officials. Similarly, Zilla Parishads and District Development Committees may also be consulted in the selection of block or blocks within the district for starting the work.

*Role of extension agency*

17. The role of the extension agency and the block staff in pilot project is vital. Their knowledge of and their contacts with the farmers will be of immense help in locating the pilot projects as also in finding good leaders. Their experience in extension techniques and improved agricultural practices would facilitate the task of the officer in-charge of the project.

18. In particular, the block staff should assist the societies in—

(a) formulating agricultural production programmes including crop patterns and land improvement measures *e.g.*, soil conservation, contour bunding, field re-arrangements, irrigation channels, conservation and utilisation of local resources, such as, compost, waste material, green manuring, etc.;

(b) preparing schemes of mixed farming, such as poultry farming, dairying, animal husbandry;

(c) drawing up schemes of agro-industries, cottage and small-scale industries keeping in view the resources, talent and the local demand;

(d) securing funds available under the block budget, G.M.F. schemes, Khadi Commission, etc.;

(e) helping the pilot project worker in solving the day-to-day problems regarding the pilot project;

(f) maintaining friendly relations with the workers and members of cooperative farming societies and offering advice.

19. In addition to the assistance which will be available to cooperative farming societies from the cooperative plan and the various boards and commissions responsible for the development of village and small-scale industries, the Department of Community Development has advised the state governments that long-term loans should be granted to cooperative farming societies from funds available with the community development blocks.

20. The above assistance on a preferential basis should be granted to societies which have at least 2/3rd of their members from smaller cultivators, tenants and landless labourers. The state governments have been requested to prescribe the criteria for classifying smaller cultivators and tenants.

21. The state governments have also been advised to revise the procedures for sanctioning loans to cooperative farming societies and not to insist on hypothecation of land. A copy of the communication addressed in this connection is enclosed (annexure IV).

22. The Conference may consider the note and suggest measures which would (i) make the pilot projects a success and (ii) enable cooperative farming societies to secure timely technical and financial assistance.

(Enclosure to Agenda Item No. 11)

## ANNEXURE I

*Cooperative Farming Schemes—Third Five Year Plan*

Statewise Plan Outlay agreed to for Pilot Projects in the Sub-Working Group on Cooperation upto 11-11-1960

(Rs. in lakhs).

| Sl. No. | State | Third Five Year Plan, 1961-66 | | | | For 1961-62 | |
|---|---|---|---|---|---|---|---|
| | | No. of Pilot Projects | Assistance to Societies | Training | Total Outlay | No. of Pilot Projects | Financial Outlay |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1. | Andhra Pradesh | 20 | 23·50 | 8·20 | 31·70 | 5 | 6·00 |
| 2. | Bihar | 25 | 29·50 | 7·15 | 36·65 | 5 | 8·00 |
| 3. | Gujerat | 25 | 29·50 | 11·25 | 40·75 | 5 | 8·00 |
| 4. | Jammu & Kashmir | 8 | 9·76 | 5·24 | 15·00 | 2 | 3·00 |
| 5. | Kerala | 9 | 10·98 | 3·40 | 14·38 | 2 | 2·41 |
| 6. | Madhya Pradesh | 30 | 35·10 | 9·20 | 44·30 | 5 | 8·00 |
| 7. | Maharashtra | 30 | 35·10 | 11·25 | 46·35 | 10 | 15·00 |
| 8. | Mysore | 19 | 23·18 | 8·15 | 31·33 | 5 | 7·30 |
| 9. | Orissa | 13 | 15·86 | 5·45 | 21·31 | 4 | 5·17 |
| 10. | Punjab | 20 | 24·40 | 9·20 | 33·60 | 5 | 7·30 |
| 11. | Rajasthan | 30 | 35·10 | 9·20 | 44·30 | 5 | 7·00 |
| 12. | Uttar Pradesh | 45 | 52·65 | 13·00 | 65·65 | 10 | 12·30 |
| 13. | West Bengal | 16 | 18·70 | 5·50 | 24·20 | 3 | 4·00 |
| 14. | Assam | 11 | 13·42 | 5·45 | 18·87 | 2 | 3·64 |
| 15. | Madras | 12 | 14·55 | 5·45 | 20·00 | 3 | 4·20 |
| | TOTAL | 313 | 371·30 | 117·09 | 488·39 | 71 | 101·95 |
| | *Union Territories* | | | | | | |
| 1. | Andaman & Nicobar Islands | — | — | — | — | — | — |
| 2. | Delhi | 1 | 1·20 | — | 1·20 | — | — |
| 3. | Himachal Pradesh | 1 | 1·20 | — | 1·20 | 2 (Socs) | 0·23 |
| 4. | Lacadive & Minicoy Islands | — | — | — | — | — | — |
| 5. | Manipur | 1 | 1·20 | 0·10 | 1·30 | 1 (Socs) | 0·50 |
| 6. | Pondicherry | 1 | 1·20 | — | 1·20 | 2 (Socs) | 0·10 |
| 7. | Tripura | 1 | 1·18 | 0·12 | 1·30 | (not *indicated*) | 0·50 |
| | TOTAL | 5 | 5·98 | 0·22 | 6·20 | 5 (Socs) | 1·33 |
| | GRAND TOTAL | 318 | 377·28 | 117·31 | 494·59 | — | 103·28 |

ANNEXURE-II

(Enclosure to Agenda item No. 11)

**No. F. 5-14/60-F. & S.**

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT & COOPERATION

(DEPARTMENT OF COOPERATION)

New Delhi.

*Dated the* 23rd *September,* 1960.

1st *Asvin,* 1882.

From

Shri M. R. Bhide, I.C.S.,

Secretary to the Government of India.

To

The Secretaries in charge of Cooperation,
All State Governments/Union Territory Administrations.

SUBJECT:—*Cooperative Farming.*

Sir,

I am directed to refer to the report of the Working Group on Co-operative Farming which has already been circulated to State Governments and to say that the main recommendations, contained in the report, were discussed at length in the Conference of State Ministers of Cooperation held in Srinagar in June, 1960. Subsequently, they were examined in consultation with the Planning Commission, Ministries of Finance and Food & Agriculture and the Reserve Bank of India and certain proposals were placed before the National Development Council which in its meeting held on 13th September, 1960 generally approved of them.

2. The various policy decisions which the Government of India would request the State Governments to follow are indicated in the Annexure* to this letter. The pattern of assistance to cooperative farming societies is indicated in the Annexure under item (B) and (C). The manner in which the Centre and the State Governments will share the grants and loans will be decided shortly in consultation with the Planning Commission and the Ministry of Finance in the light of general orders that may be issued regarding the continuance of the system of matching grants during the Third Five Year Plan period.

*See Enclosure.

3. Three spare copies of this letter and annexures are enclosed to enable the State Officers concerned to deal with the subject expeditiously.

Yours faithfully,

Sd/- M. R. Bhide.

Secretary to the Government of India.

No. F.5-14/60-F. & S.

*New Delhi, the 23rd September, 1960.*
*1st Asvin, 1882.*

Copy to: 1. Registrars of Cooperative Societies, all State Governments/ Union Territories.

2. Planning Commission.

3. Ministry of Food and Agriculture (Deptt. of Agriculture).

4. Reserve Bank of India.

5. All Officers and Sections in the Ministry (both Departments).

Sd/- S. S. Puri,

Deputy Secretary to the Government of India.

No. 5-14/60-F&S.

*New Delhi, the 23rd September, 1960.*
*1st Asvin, 1882.*

Copy also forwarded to:

(1) Secretaries incharge of Agriculture, All State Governments/ Union Territories.

(2) The Directors of Agriculture, All State Governments/Union Territories Administrations.

(3) All Development Commissioners.

Sd/- N. N. Venkateswaran,

for Deputy Secretary to the Government of India.

(Enclosure to Annexure II)

## (A) Pattern of Organisation

*Voluntary character of membership*:

(i) The general principle that there should be no compulsion in the organisation of cooperative farming societies is already part of the policy on cooperative farming and should be stressed.

In some States *e.g.* Uttar Pradesh and Bombay, there is legislation under which, in certain circumstances land belonging to individuals can compulsorily be pooled in cooperative farms. The question as to which of the specific clauses in the State legislation involving compulsion could

be usefully retained in the interest of agricultural production etc., is at present under examination and a further communciation will follow.

*Admission of absentee land owners as members* :

(ii) Membership of cooperative farming societies should be confirmed to those who are prepared to work on the farm or in its ancillary activities. Absentee land owners should not ordinarily be admitted as members. Persons who are prevented from participation in farm work on account of physical disability, government service, age, sex or owning land in more than one village may be admitted although they may not participate in farm work. The absentee land holders taken together as a group should not exceed 1/4th of the total membership of the society.

*Size of Cooperative Farms* :

(iii) For the purpose of special assistance from Government a minimum size in terms of membership and area may be prescribed by State Governments in the light of local conditions in order to ensure that such assistance is extended only to those societies as have a prospect of becoming viable. Societies below the minimum size in terms of membership and area may be registered but should not receive special assistance from Government. No maximum size need be prescribed. The approach in the five year plans to develop the village economy as a whole, should be kept in view in the development of cooperative farming.

*Withdrawal of membership* :

(iv) Land should be pooled by members for a minimum period of five years. Withdrawal during this period might be allowed in exceptional circumstances, *e.g. a* member leaving the village.

Each society might prescribe the terms and conditions on which a member might withdraw from the society.

*Return for land* :

(v) A cooperative farming society should from its income give a suitable return to its members for the land pooled by them. Whether such return should be paid out of the net income or the gross income should be left for decision by the individual society. The return, if paid out of the gross income, should, however, not exceed the limit for rent, fixed under the tenancy laws of the State concerned.

*Cattle, implements, etc. as share capital and deposits*:

(vi) Cattle, implements, etc., belonging to members may be taken over by the society to the extent they are required for its operations. Care should be taken to ensure fair valuation. The value of cattle, implements, etc. taken over should be treated to the extent necessary, as share capital and the balance as deposits of the member concerned. As regards

cattle, implements, etc. not taken over by the society, it should help its members in their disposal.

*Consolidation of holdings:*

(vii) Consolidation of holdings need not be a condition precedent to cooperative farming but advantage may be taken of consolidation proceedings to encourage cooperative farming by adopting the following suggestions already made in the Second Plan:–

(a) When operations for the consolidation of holdings take place, an effort should be made to educate the people in the advantages of cooperative farming so that, to the extent possible, those who wish to join together in cooperative farming societies may have their lands consolidated in one block or in a small number of compact blocks; and

(b) At the time of consolidation of holdings lands belonging to persons holding very small pieces of land should be located as near as possible to pooled lands so that cultivators who may not join a co-operative farm immediately may find it convenient to do so at a later stage.

*Authorisation to mortgage the land:*

(viii) In order to enable a cooperative farming society to raise the necessary medium and long-term finances, members of the society may be persuaded to authorise the society to mortgage the land pooled for raising loans for the common purpose of the society. Failing such authorisation the society may be enabled to create a charge on the pooled land on the lines of Section 24-A of the Bombay Cooperative Societies Act.

## (B) Pattern of Assistance

*Eligibility for normal assistance:*

(i) Cooperative farming societies should be eligible for assistance on a priority basis under various schemes which provide for assistance to individual cultivators. For this purpose, if necessary, the rules governing such assistance may be suitably revised.

*State participation in share capital:*

(ii) The recommendations made in the context of the report of the committee on cooperative credit are intended to bring about a general expansion of credit facilities for agriculture. Cooperative farming societies will generally need credit on a larger scale than individual cultivators as they are expected to take up more comprehensive production programmes. In the case of cooperative farming societies composed predominantly of landless cultivators and marginal and sub-marginal farmers, it will be specially necessary to ensure that they have the requisite borrowing power. The State may, therefore, participate in the share capital

of such societies, subject to a ceiling of Rs. 2,000 for a society. As a general rule, the amount of share capital contributed by the State should not exceed the amount raised by the members of the society and the State's share capital should be retired over a period of ten years. Contribution to the share capital need not be accompanied by nomination of directors by government.

*Short-term credit for cooperative farming societies* :

(iii) It is necessary to ensure that policies, for promoting cooperative farming and primary service cooperative at the primary level do not cut across one another and at all stages co-operative farming is visualised as a stage in cooperative development and not as a programme isolated from the normal pattern of growth of the rural economy to be achieved through community development. It is, therefore, desireable that where a group of cultivators in a village form a cooperative farming society, the society should become a member of the primary service cooperative. The short-term credit required by a co-operative farming society should be made available either by the central bank direct or by the village service co-operative according to convenience and local facilities and resources available. The co-operative farming society should be able to take full advantage of the primary service co-operative in respect of supplies, marketing, etc. and thereby strengthen its activities.

*Managerial subsidy for co-operative farming society* :

(iv) A total subsidy not exceeding Rs. 1,200 may be given to a co-operative farming society over a period of three to five years towards its managerial expenses.

*Assistance for godown*-cum-*cattle shed*:

(v) A sum not exceeding Rs. 5,000 (25 per cent subsidy and 75 per cent loans) might be given to a co-operative farming society for construction of a godown-*cum*-cattle shed. In given such assistance care should be taken to avoid duplication and overlapping between the construction of accommodation for the service co-operative and co-operative farming societies in the village.

*Medium and long-term loan* :

(vi) As regards long and medium-term loans, assistance should be provided by government where and to the extent the societies are unable to secure their requirements from central co-operative banks or land mortgage banks. Government may provide on an average up to Rs. 4,000 to co-operative farming societies by way of loans for their programmes of development. To the maximum extent possible, additional requirements of co-operative farming societies should be met out of the provisions available in the agricultural sector of the plan and those in the schematic budget of the community development blocks.

*Guarantees to central banks :*

(vii) There is no need to give any guarantees to central co-operative banks in respect of short-term loans given by them to co-operative farming societies. The advances given to co-operative farming societies by central co-operaive banks should, however, be taken into consideration for the purpose of the proposed government contribution to their special bad debt fund at one per cent of the additional loans given by them for agricultural production over and above the loans given in the preceding year. These grants should be shared equally by the State Government and the Government of India.

## (C) Administrative Arrangements

*District Unions :*

(i) District co-operative unions should look after co-operative farming societies along with other types of co-operative societies in the districts and at this stage separate unions of co-operative farming societies need not be established.

*Co-operative Farming Board :*

(ii) A separate agency may be established at the centre for promotion of co-operative farming. This may be in the shape of a new Board or as a sub-committee of the National Co-operative Development and Warehousing Board. As regards the recommendation of the Working Group that there should be co-operative farming boards at the state level, this may be left to the State Governments.

## (D) Education and Training

Training in co-operative farming should be provided by expanding the existing arrangements for training so as to cover training for co-operative farming also.

## (E) Physical Targets

*Pilot project :*

(i) A programme of organising 3,200 co-operative farms under pilot projects should be undertaken as recommended by the Working Group.

*Farms outside pilot projects :*

(ii) At this stage, apart from the pilot projects, it is not necessary or desirable to lay down specific targets for the number of co-operative farming societies to be set up drawing the Third Plan. As stated in the Second Plan the objective is to build up sound foundations for the development of co-operative farming so that, over the next ten years or so, a substantial proportion of the agricultural lands are cultivated on co-operative lines. This objective should be stressed and keeping it in view, plans for co-operative farming should be drawn up in the States in a

realistic manner and the tentative targets which emerge should be examined and the financial provisions needed considered at the time of finalising the plan. For this purpose, a lump provision may be made for societies outside pilot projects.

*Assistance to farms outside and under the pilot projects*:

(iii) The various items of assistance should apply equally to the co-operative farming societies taken up in the pilot projects programme and other co-operative farming societies which are formed except that, at the present stage, state participation in the share capital should be confined to co-operative farming societies composed predominantly of landless cultivators and marginal and sub-marginal farmers and which are developed as part of the pilot projects programme.

## ANNEXURE III

No. F.5-73/60-CF

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT & COOPERATION

(DEPARTMENT OF COOPERATION)

*New Delhi, the 8th November,* 1960

### RESOLUTION

The Government of India had set up in June, 1959 a Working Group on Cooperative Farming under the Chairmanship of Shri Nijalingappa to help the formulation of a programme for development of cooperative joint farming on a voluntary basis. The Report of the Working Group was considered by State Ministers in charge of cooperation at the Srinagar Conference in June, 1960. The recommendations were further considered and endorsed by the National Development Council on the 13th September, 1960.

2. The Government of India have recently taken decisions on important recommendations of the Working Group and communicated them to the State Governments.

3. One of the recommendations of the Working Group was that Government of India should constitute an Advisory Board at the national level for planning and promoting the programme of cooperative farming. The Government of India have accepted this recommendation and decided to set up the National Cooperative Farming Advisory Board.

4. The composition of the Board will be as follows:—

Chairman

Minister for Community Development and Cooperation.

Members

1. Deputy Minister for Community Development and Cooperation.
2. Parliamentary Secretary to Minister, Community Development and Cooperation.
3. Executive Member.
4. Four Members of Parliament.
5. One Agricultural Economist.
6. Five non-officials connected with cooperative farming.
7. Four representatives from State Governments.
8. One representative each of—
   (i) Reserve Bank of India.
   (ii) Khadi and Village Industries Commission.
   (iii) Planning Commission.
   (iv) Ministry of Finance.
   (v) Department of Agriculture.
   (vi) Department of Cooperation.

Secretary

Additional Cooperation Commission, Department of Cooperation.

5. The following will be the terms and reference of the Board.

(i) To plan and promote the programme of cooperative farming on voluntary basis.

(ii) To review the progress and suggest modifications in the programme as and when necessary.

(iii) To suggest measures for enlisting peoples' participation in the programme and fostering their initiative and leadership.

(iv) To suggest arrangements for education and training of personnel required for implementing the programme.

(v) To suggest organisation of studies and schemes of research relating to cooperative farming.

(vi) To assess the requirements and to recommend the pattern of financial assistance.

(vii) To study the question of technical supervision and guidance and to suggest suitable arrangements.

(viii) To coordinate inter-state developments and experience.

(ix) To help State Governments and State Boards in formulating their schemes and programme, if necessary.

(x) To undertake such cognate measures as are germane and relevant to the pursuance of the terms and reference of the Board.

6. For ensuring more effective supervision and guidance and reviewing the programme of cooperative farming, the Board shall have an Executive Committee which will consist of—

Chairman

Deputy Minister, Community Development and Cooperation.

Members

Executive Member.

One Member of Parliament.

One non-official connected with cooperative farming.

One representative from the State Governments.

The representative of—

(i) Planning Commission.

(ii) Department of Agriculture.

(iii) Department of Cooperation.

Secretary

Additional Cooperation Commissioner, Department of Cooperation.

7. Subject to the control, direction and superintendence of the Board, the Executive Committee shall be competent to deal with any matter within the competence of the Board.

8. The Executive Committee or the Board may appoint sub-committee to deal with different aspects of the programme of cooperative farming. The sub-committee may coopt for specific purposes persons who have expert knowledge of the problem or appropriate field experience. The Board shall meet at least once in six months. The Executive Committee and sub-committee may meet as and when necessary.

9. The Board shall have a whole time Executive Member who will also be a member of the Executive Committee. He along with the Secretary of the Board will be responsible for implementing the policies and the programme of the Board.

10. In addition to attending meetings of the Board, Executive Committee and Sub-Committees, the members may visit cooperative farming societies and training centres connected with cooperative farming to obtain intimate knowledge and suggest improvements wherever necessary.

11. A person who is appointed as a member of the Board in his ex-officio capacity or as a holder of a particular office shall automatically cease to be a member of the Board if he ceases to be ex-officio holder of the office or appointment as the case may be. All casual vacancies shall be filled in consultation with the authority or body which nominated the member whose place falls vacant.

12. The term of the present Board will expire on 30th June, 1962.

Sd/ M. R. BHIDE
Secy. to the Government of India.

No. F. 5-73/60-CF.

*New Delhi, the 8th November,* 1960.

ORDER: Ordered that copy of the Resolution be communicated to all concerned.

Ordered also that the Resolution be published in the Gazette of India for general information.

Sd/- (M. R. BHIDE)
Secy. to the Government of India.

**National Cooperative Farming Advisory Board.**

1. Minister, Community Development and Cooperation—Chairman.
2. Deputy Minister, Community Development and Cooperation.
3. Parliamentary Secretary to Minister, Community Development and Cooperation.
4. Executive Member.

**State Ministers.**

5. Shri Rathubhai Adani, Minister for Development and Cooperation, Gujarat.
6. Shri T. S. Bhadre, Minister for Cooperation, Maharashtra.
7. Shri Birchand Patel, Minister for Agriculture, Bihar.
8. Shri R. Venkataraman, Minister for Cooperation, Madras.

**Members of Parliament.**

9. Shri Brahm Prakash, M.P., Delhi.
10. Shri V. C. Kesava Rao, M.P., Andhra Pradesh.
11. Shri Moolchand Jain, M.P., Punjab.
12. Shri N. Sri Rama Reddy, M.P., Mysore.

**Non-Officials with experience in cooperative farming.**

13. Shri R. K. Das, President, Kathjori Cooperative Collective Farming Society, Cuttack.
14. Shri Gurbaksh Singh, President, Progressive Workers Cooperative Farming Society, Khempur, Bilaspur (U.P.).
15. Shri Mathura Das Mathur, President, Pradesh Congress Committee, Jaipur.
16. Shri S. V. Mydeo, Secretary, Subhash Cooperative Farming Society, Manjri, Poona.
17. Shri R. K. Patil, Nagpur.

**Agricultural Economist.**

18. Prof. Ajit Das Gupta, Department of Economics Jadavpur University, Calcutta (West Bengal).

**Commissons and Statutory Bodies.**

19. Shri B. P. Patel, Adviser (Programme Administration), Planning Commission, New Delhi.

20. Shri J. C. Ryan, Chief Officer, Agricultural Credit Department, Reserve Bank of India, Bombay.

21. Shri Annasaheb Sahasribhudhe, Member, Khadi and Village Industries Commission, Bombay.

**Ministries/Departments.**

22. Shri M. R. Bhide, Secretary, Ministry of Community Development and Cooperation.

23. Shri A. C. Bose, Joint Secretary (F.A. & C.D. Division), Ministry of Finance.

24. Shri Ameer Raza, Joint Secretary, Ministry of Food and Agriculture (Department of Agriculture).

(Enclosure to Agenda item No. 11)

ANNEXURE IV

No. 8 (XI)/Bd/59

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT & COOPERATION

(DEPARTMENT OF COMMUNITY DEVELOPMENT)

*Krishi Bhavan, New Delhi, the 24th September,* 1960

From

Shri T. S. Sankaran, I.A.S.,
Deputy Secretary to the Government of India.

To

The Secretaries,
incharge of Community Development Department,
All States/Union Territores.

SUBJECT:—*Cooperative Farming Societies—Provision of loans out of Block Schematic Budget.*

Sir,

Please refer to this Ministry's letter No. 8(XI)/Bd/59 dated 29th April, 1960, wherein it was suggested that some of the conditions which may inhibit cooperative farming societies from obtaining loans will have to be relaxed and a revised procedure for sanctioning of loans drawn up. In this connection, the State Governments may consider the following suggestions for changes in the rules governing the grant of loans.

(i) In several States, the existing rules determining the terms and conditions for the grant of loans for tubewells etc., require that the land concerned should be hypothecated in favour of Government. Such provisions in the rules may be omitted.

(ii) Rules may specifically provide that loans will be sanctioned to cooperative farming societies after taking into account the productive character of the purpose for which the loan is intended to be utilised.

(iii) Rules may also be framed so as to lay down that Government shall have a floating charge on the assets to be created by a cooperative farming society out of the utilisation of the loans.

(iv) Another safeguard for proper utilisation of Government loan may be had by prescribing that in appropriate cases loan will not be disbursed in cash to the cooperative farming society, but in cases such as loans for tubewell etc., the amount may be directly disbursed to the firm or to the Agriculture Department undertaking the installation of the tubewell.

(v) Rules may prescribe that a cooperative farming society for obtaining the loan, shall execute an agreement to the effect that the surplus produce raised by the society shall be sold to the nearest marketing society who may be empowered to recover the amount of government loan due from the sale proceeds.

(vi) In appropriate cases, a rule may also be framed to the effect that for a productive investment, a portion of the cost may be met by a cooperative farming society out of its own sources and government loan may be made available for meeting the rest of the cost.

The decisions taken by the State Governments in the light of the above suggestions may be intimated to this Ministry in due course.

2. Attention is also invited to D.O. letter No. 8 (XI)/Bd/59 dated 8th July, 1960 from Shri P. V. Rao, Additional Secretary of this Ministry. Action taken by the State Governments to prescribe the limits for considering the owner or a tenant as marginal or sub-marginal cultivator in order to make a joint cooperative farming society of which they are members eligible for priority in prospect of financial assistance out of the schematic budget, may also be intimated.

Yours faithfully,

Sd/- T. S. SANKARAN,

Deputy Secretary to the Government of India.

Copy to:—

1. All Development Commissioners.
2. All Secretaries in charge of Cooperation, State Governments/ Union Administration.
3. All Registrars of Cooperative Societies.

Copy to Department of Cooperation.

Sd/- T. S. SANKARAN,

Deputy Secretary to the Government of India.

*Agenda Item No.* 12.—SERVICE COOPERATIVES.

At the end of 1958-59 there were nearly 1.83 lakh primary agricultural credit societies with a membership of about 12 millions. By and large, these societies confined their activities to supply of credit and only a few under-took supply and service functions. About a lakh of the societies were not functioning effectively.

2. Following the National Development Council's Resolution of November, 1958, the State Governments were advised to draw up programmes: (a) for revitalising such of those as require revitalisation and for reorganising them as Service Cooperatives and (b) for organisation of new societies of the service cooperative type. The societies taken up under this programme were to be given a subsidy not exceeding Rs. 900 spread over 3 to 5 years for meeting their managerial expenses

3. The progress in this regard is indicated below:—

(a) *Revitalisation of existing Societies*:—23,000 societies were taken up during 1959-60 and 19,000 societies are being taken up during 1960-61. During the discussions on the Third Plan, the State Governments reported that these programmes will be completed. Thus, out of one lakh societies which are not functioning effectively, about 60,000 will be left over at the end of the Second Plan.

During the Third Plan, about 52,000 societies are expected to be taken up for revitalisation. The remaining societies may have to be liquidated. Thus, by the end of the Third Plan, all societies which are capable of revitalisation will have been revitalised.

(b) *Programme of new organisation*:—About 16,000 societies organised during 1959-60. The programme for 1960-61 is to organise about 9,000 societies. The State Governments expect to complete this programme. By the end of the Second Plan there will thus be a little over 2 lakh societies. These will be in different stages of development in regard to credit and supply and service functions.

During the discussions on the Third Plan, a programme of organising about 29,000 new service cooperatives to cover all the remaining villages which will remain uncovered at the beginning of the Third Plan has been approved. There will, thus be nearly 2.3 lakh societies at the end of the Third Plan.

## Membership

4. It is expected that the membership of the societies will increase to about 38 millions by the end of the Third Plan covering about 70 per cent of the agricultural families. It has also been emphasised on the State Governments that every person desirous of becoming a member should be enabled to do so by providing a right of appeal to the Registrar or the Government against refusal of admission by the society.

## Pattern of Organisation

5. In accordance with the decisions taken by Government on the recommendations of the Mehta Committee, Service Cooperatives should, as a general rule, be organised on the basis of the village community as the primary unit. Where villages are too small, the number of villages to be covered by a society may, however, be increased in the interest of viability. The aim should be to ensure viability with the inclusion of the smallest number of villages necessary so that the cooperative society achieves both viability and the essential characteristics of Cooperation. The extension should, however, be subject to the maximum limits of a population of 3,000 (*i.e.* 600 families or about 500 cultivating families) and a distance of not more than 3 or 4 miles from the Headquarters village. The existing societies are not, however, to be interfered with merely because they do not strictly comply with the pattern of organisation envisaged. The aim should be to gradually fit them into the new arrangements.

## Supply of Credit

6. As a result of the discussions with the State Governments on the Third Five Year Plan, it is expected that these societies may be able to advance short and medium-term loans of the order of about Rs. 530 crores. Even allowing for possible short falls the amount is not likely to be less than the national target of Rs. 480 crores. It has been emphasised that a loaning programme of this magnitude would require strenuous efforts on the part of the cooperative structure at all levels. The societies will have to increase considerably their share capital and deposits.

## State Participation in the Share Capital

7. In accordance with the decisions taken by Government on the recommendations of the Mehta Committee, the State Governments have been advised that they may participate in the share capital of primary agricultural credit societies subject to certain terms and conditions. The maximum contribution to be made by the State to the share capital of a society should ordinarily be limited to Rs. 5,000, the contribution being increased to Rs. 10,000 in exceptional cases. The funds required for such State participation will be obtained by the State Governments

on loan from the Reserve Bank of India from the Long Term Operations Fund. The Reserve Bank of India has been requested to increase its annual contribution to the Fund to Rs. 15 crores for meeting the increased demands of the State Governments. The Reserve Bank is sympathetically considering this recommendation.

### Outright Grants to Primary Societies

8. As recommended by the Committee on Cooperative Credit, the State Governments have been advised that Cooperatives should advance credit to all classes of cultivators including landless cultivators, tenants and marginal and sub-marginal cultivators for this production programme. To enable the cooperatives to advance loans to such categories of persons without undue hesitation, Government have decided to give outright grants to the societies at the rate of 3 per cent of the increased lendings in a particular year over that in the previous year. These grants will be given from the year 1962-63 onwards. Similarly at the level of the central banks, an outright grant equal to 1 per cent of their increased lendings will be given. Necessary provision has been made in the plans of the State Governments.

### Taccavi Loans

9. It has been emphasised to State Governments that all taccavi loans other than distress taccavi should be channelised through the cooperatives and for this purpose to the funds at present being administered by Agricultural, Revenue and Community Development Departments should be placed at the disposal of the cooperatives. The State Governments are taking necessary steps in this direction. Adequate provision is also being made in the Third Plan for creating the necessary land mortgage banking structure in areas where it does not exist at present for handling long term loans.

### Supplies and Services

10. At present, fertilisers are mostly being distributed through cooperatives. In regard to the distribution of seeds, agricultural implements, pesticides and insecticides the State Governments have been requested to utilise the services of cooperatives to the maximum extent possible.

## SUPPLEMENTARY ITEM

*Agenda item No.* 13.—NEED TO AVOID FREQUENT TRANSFER OF PERSONNEL INCHARGE OF DEVELOPMENT PROGRAMMES.

There has been repeated criticism on the frequent changes of officials of various categories from position to position. The shifting of personnel at short intervals is particularly detrimental to the progress of the various development programmes in the country. It is generally recognised that a man has to stay for a considerable period in a job to learn all its phases and to get himself familiar with the area, the people and their problems. Secondly the shortness of the tenure makes it impossible for an officer to discharge his responsibility in full measure and take decisions with a view to achieving results. Thirdly the time is not adequate for him to get into grips with the various facets of his work and consequently he is unable to make any significant contribution to the development programme.

2. Recently an observer had occasion to bring this defect to the notice of the Prime Minister who has observed in this connection that if a right man is chosen for a post, more especially connected with development, he must remain there for a considerable time.

3. The exigencies of service like promotion have some times been responsible for the shifting of personnel though more often the transfer could have been avoided. In the interest of development, a minimum tenure of at least three years should be prescribed for the various categories of development personnel. Even if promotion is due to them, during this tenure, they should be retained in the same jobs and additional remuneration and the benefit of seniority must be assured to them.

4. The State Governments may consider the above suggestion particularly with regard to the Community Development Programme and take necessary steps.

# APPENDIX I

## Speech by Union Minister for Community Development and Cooperation (Summary)

Shri S. K. Dey, in his opening remarks, welcomed the Prime Minister and said that the Conference of State Ministers of Community Development was a special occasion. The only precedent that he could think of, he added, was the first Conference of Development Commissioners in 1952, inaugurated by the Prime Minister.

Shri Dey recalled the Prime Minister's speech at that Conference, when the latter said that the fundamental test by which the programme would be assessed was to what extent it had been able to "unleash forces from below". In other words, he said, the movement had to show in what way it was able to transform the people of the Community Development projects into builders of their own villages and, in a general sense of India.

Efforts made by Community Development in the field of production, especially agriculture, the Minister maintained were beginning to yield results. He had rarely come across a region in the country where villagers were not prepared to adopt improved practices in agriculture "if they are given the wherewithal or shown how to obtain the wherewithal themselves".

Shri Dey said that the movement, which was first launched in 55 blocks, was extended and spread all over the country in a few years. The official agency, functioning under the Development Commissioner, had given an outstanding account of itself. This agency, however, had its limitations. It was soon realised that progress could not go very far unless the people were intimately drawn into the programme. Thus came the Block Advisory Committees. Being merely advisory in character, however, they did not prove effective.

The Balwantrai Mehta Committee report recommended the association of non-officials through the three-tier system of Panchayati Raj, namely, Panchayat at the village level, Panchayat Samiti at the Block level and Zilla Parishad at the district level. The peoples' organisations at these three levels, according to the team, had to be given statutory powers. As an interim measure the Block Advisory Committees were redesignated as the Block Development Committees and the State Governments issued instructions that the decisions of the Committees unless they deviated from the fundamental aspects of the programme should be accepted by Government.

Panchayati Raj legislation was enacted in a number of States—Andhra, and Rajasthan leading the rest of India. Enthusiasm for the scheme was so great that no state could afford to be left behind.

Legislation to be effective, the Minister said, must be accompanied by a desire on the part of the people to implement it.

Panchayati Raj involved the "abdication of power" so far exercised by the official machinery. This transfer of power, the Minister said, could only be effected by having "an organised, enlightened and determined public opinion". While the question of organisation was being tackled by various institutions of Panchayati Raj and "Sahakari Samaj", the problem of enlightenment was being dealt with by a comprehensive programme of education and training.

The logical corollary of Panchayati Raj, according to the Minister, was economic decentralisation, and he, therefore, pleaded for the dispersal of industries in the rural areas, as also for the building up of Sahakari Samaj in the economic field as a complementary counterpart of the three-tier system of Panchayati Raj. If industrial decentralisation took place, the Minister added, agricultural implements could be produced in the villages, and made readily available to the farmer. If this were done, agriculture would be progressively rationalised. The fast growing concept of Panchayati Raj, the Minister observed had brought in its wake a number of problems to which a solution must be found. Panchayati Raj implied a rural leadership. How to foster and sustain this leadership was an important question, he remarked.

Shri Dey was of the view that if leadership had to be generated in the people, it had to come from the peoples' representatives. He had no doubt that, with the introduction of Panchayati Raj institutions, political leadership, till now confined to Parliament and State Legislatures, would tend to move towards the rural areas.

There were other problems too, he added. Statutory bodies, as well as voluntary organisations financially assisted by Government, were now looking after the welfare of the people. "How do we promote a synthesis of approach and work between the two types of organisations?"

The Minister observed that, with the awakening of consciousness amongst the masses, more demands were being made for improved methods in agriculture. Obviously, with the introduction of improved methods, the villagers will need subsidiary occupations. This would entail rural industrialisation which requires electrification, industrial centres, etc. How to tackle such a situation was an urgent problem, he stressed.

There was also a further point which he wished to pose to the Conference *viz.*, how to promote an enlightened public opinion, so necessary for effecting a transfer of power which the Panchayati Raj legislation envisaged and for the effective utilisation of these powers in the service of the community. These according to Shri Dey, were some of the problems which had to be considered by the Conference and measures devised to tackle them.

## APPENDIX II

### ADDRESS BY PRIME MINISTER

Friends, you have no doubt listened to my colleague, the Minister for Community Development and Cooperation, with great interest. For the last many years he has lived wrapped in subjects having a bearing on Community Development and Cooperation and has given all his time and energy to them either at headquarters, or from all over India.

He has given us some kind of a survey of the past eight years. Looking back over this period, it is inevitable that you will find many good—not only good but very good and promising—points, as also depressing things, *e.g.*, people not coming up to our expectations. In any field—right from the topmost administrative level to the village level—there is good and there is bad. If it were all good, we would have changed the country with extreme rapidity into some kind of a heaven and we would not be sitting here. And if it were all bad, then too we would not be sitting here. We sit here, because we are somewhere in between good and bad.

It is rather a truism to say that we are passing through a transitional age. Every age is transitional. Sometimes, nevertheless, this process of transition works more rapidly and the pace and tempo of change are greater. This tempo of change is conditioned by many factors, some of which you can weigh and measure, and some which are imponderable. Sometimes a country gets a special kind of dose which puts new life into it. Generations then witness a high level of activity. The country becomes great, great not only in show-things, but also in the real powers of the mind and in activity. I cannot explain how and when that happens. But it does happen. Changes come, because methods of production change, because methods of communication change and even our social framework begins to change. All these affect life very much. Obviously, if the railway comes, it changes the life of a country. Similarly if a better plough comes, it changes agriculture. What kind of plough is used in our agriculture is an absolute basic test. And where the old plough is being used, I say it is defeat, a 100 per cent defeat, no matter how you explain it.

I have been impressed by the Community Development movement, because I thought that it was a right approach and that it was working on right lines. But I have been angry with many things that it did, or rather did not do, angry at the expansion on a big scale, more offices being opened and more officials, more jeeps, more this and more that. Officials

are good, even though official apparatus is seldom good. It is not a question of individuals. It is rather a question of the mental approach to the problem. That, in fact, is my approach. You can judge human history, or the growth of man, in many ways. Perhaps, the most effective way of judging it is what tools a person is using. Benjamin Franklin of America said : "Man is a tool making animal". The great difference between man and other animals is that he makes his own tools. Now, a great deal depends upon the tools a person uses. The tool is the extension to the hand of the brain. If you do not extend it and remain limited, then you remain limited in spite of the laws and all the shouting and everything.

To put this differently, we in India have been, and still largely are, a traditional country–traditional thought, traditional methods of social organisation, traditional methods of working indifferent occupations. Naturally not all the time. For if it were quite unprogressive, the social structure would have been dead and gone. A society has certain virtues and capacity to continue. If it does not grow, does not change with changing conditions, it becomes weaker and weaker and loses hold on life. The big problem before us–put it the way you like it–is how to get out of this traditional mould into the modern age. You are going in for modern expensive vehicles, but it is the mind that has got to be modern, and not the car that you use. With a mind with a thousand years old tradition behind it, it is that feeling of change that has to come to the hundreds of millions in this country. The basic thing is the mind of India, the mind of hundreds of millions of the people in India coming out of the rut in which it has been. That is the basic approach for the Community Development work. It is in this way that we should talk–at least I talk–about the socialistic pattern of society etc.

For India there is no choice except going towards the socialistic structure. The alternative is stagnation and ultimate death. I believe that, except by going in that direction, there is no real future for any country in the world. There is, however, a difference between other countries and our country. By making good in natural advance etc. other countries have got a great deal of leeway. They may have a little choice but we have no choice. One has, therefore, to have some definite mental approach to these problems.

The tendency of modern scientific age is to centralise. Big industry, or agriculture, in advanced countries inevitably tends towards centralisation. You cannot advance without centralisation. Machines become bigger and bigger. The mechanised farms become bigger and bigger. I am all for centralisation in some spheres. You cannot have a decentralised army in India. You cannot decentralise many other things. It is equally important, in its relative region, for the State Governments also to be strong–and not weak. Yet we realise that this inevitable trend to

words centralisation is a dangerous one. While you cannot do without centralisation, it is also true that you cannot do away with decentralisation either. You have to balance the two. I want decentralisation, as far as possible, because, in the ultimate analysis, we want the development of human beings, of their spirit of self-reliance etc. It is this background which leads me to like the original approach of the Community Development movement. The movement, I must, however, say, rather faded out year after year. The whole texture of the Community Development movement, which has done very good work, became of a very pale colour.

An official, if I may say so, should gradually forget functioning as an official. He may remain an official, but he must not function in an official way. If the Gram Sevak considers himself a big boss in his little area, I would say he is working in a totally wrong way. You have thus to fight these tendencies which encroach upon us all the time. That's why I think the Community Development movement began, as it has done, to lose its flavour, to lose its glamour, to lose its colour; and it has become a pale replica of officialdom doing good in the way officials do good. Therefore, comes the Panchayati Raj. Its theory, of course, is fascinating. But in practice also, in so far as we have seen it in Rajasthan, Andhra, Madras, it is quite fascinating, the way it is bringing about basic changes. Even the official is changing, or trying to change. The village people, of course, are changing. I think it is, in a sense, the most revolutionary thing that is happening in India. One may say that it won't succeed in the measure we want it to succeed. Behind it, however, are hidden forces which, once relased, will make a tremendous difference to the progress of India—rural India in every way, and even industrial India, although not in the sense of putting up vast plants, but in the sense of small industries and cooperatives and all that. It will be changing the structure of the social fabric.

If you give more fertilisers to the farmer, he will naturally do a little better. But I do not want fertilizers as much as I want better men. If he is a better man, the farmer would do better by employing better methods, without the use of additional fertilisers.

I think this Panchayati Raj is of outstanding importance and Ministers, who are responsible for this in the States—of course all the States have not got it and should get it soon enough—should feel that they are in charge of the most vital subject in India, not in charge of a showy subject in the sense of putting up a big plant or big buildings. It is, however, the most vital thing that would change the texture of India.

Coming back to tools, a society changes as a result of the methods of production. The Indian farmer will change, not because of the fertiliser that he is using, but because of the plough he uses. You cannot expect anything of a person who is using a plough which is a thousand years old. It amazes me that, even after 12 years of independence, there should be

millions of these old ploughs in India. Even at some loss I should make a bonfire of them, just to induce the people to feel that it means the discontinuance of old things. The new plough is not frightfully expensive. It will cost you 50, 60, or 70 rupees. A State Government should not wait for some private party to make ploughs and sell them in the market. It is up to the State Governments to manufacture ploughs in every district and to sell them to the people, or to give them on credit, and realise the value after the harvest. Within 12 months from now, there should not be a single old plough left in India. And let there be no tall talk about giving more money and doing this and doing that. Why should you have more money? The money that we have been spending is colossal. Everybody thinks that money solves everything. But money solves nothing, except that it helps a person who has too much of it. If a person tells me, as people do tell me, that you can increase food production only if you give 100 or 1,000 crores of rupees, that persons, according to me, is useless. Countries with little advantage were making good because of hard work and hard application. We, too, should work hard and not shout constantly that this must be done and that must be done. This kind of *Nawabi* mentality, *viz.,* waiting for every other person to do things for us, is not good enough.

I have not talked to you about problems that you would be discussing. I wanted to convey to you something of what troubles my mind. If you want to succeed in moving hundreds of millions of people, you must put in great—not only great but hard work. You also need the right mental approach to the problems. Everything should be measured, let us say, by food production. All your Panchayti Raj and Community Development movement should be keyed up to food production, because out of food production will come other things. Industry will grow; agriculture, as also all the other things, will grow.

Essentially, therefore, what we require is a change in our people's thinking. This means making them get out of the old rut. I am quite convinced that the average peasant in India is a practical man, a hard-working man, a tough man, a resisting man. And it is easier for him to come out of the old rut than for many a so-called educated person in India. But the peasant won't get out of the old rut easily. If, however, he sees a thing done, he would come out. It is the person with a closed mind—may be the minister or the official or may be anybody else—who is more traditionalist than the peasant.

I might mention here one or two things which have always surprised me and which I have not quite understood. Reclamation of usar land, or saline land, has been done successfully near a farm in Lucknow. This work has been praised in a number of magazines and periodicals in other countries as showing the way to solve the food problem of South East Asia. Here is something which has covered millions of acres of usar land of India in a few years' time. Here is something which has proved

successful and does not require large sums of money. But our people and officials knock their heads and look away. They either don't accept this method, or practise it in a small way. What then is wrong with our thinking, except that we are all traditionalists, that we can't get out of the rut?

Looking around India, whether it is in the sphere of industry, or of agriculture, I think the picture is a very stimulating one. At any rate, I am stimulated by it. And I am convinced that we are making good and that we will make good—at a faster rate. This is so not because of India's greatness, but because we, and circumstances, have deliberately let loose forces which cannot be stopped.

The point at issue is how far we can accelerate and ease that process of the move on. Those who are in authority in the States and at the Centre, are naturally to bear the burden a little more than others. And it is from that point of view that I should like all of you to consider this basic problem which, in the final analysis, is one of changing the 300 million people of India, their ways of thinking and of cooperating with each other. It is the problem of building a new society in India, a new social and economic structure. There can be no bigger and vaster problem. You in the States, and at the Centre, are partly in charge of it. I wish you well with your job.

## APPENDIX III

LIST OF STATE MINISTERS OF COMMUNITY DEVELOPMENT, LT. GOVERNOR AND CHIEF COMMISSIONERS PRESENT AT THE MEETING.

1. Shri P. Ranga Reddy, Minister for Planning, Andhra Pradesh.
2. Shri F. A. Ahmed, Minister for Finance, Community Projects, Local Self Government, Judicial and Legislature, Assam.
3. Shri Daroga Prasad Rai, Deputy Minister for Community Projects and Jails, Bihar.
4. Shri Jaswant Lal S. Shah, Deputy Minister for Rural Development, Gujarat.
5. Bakshi Ghulam Mohammad, Prime Minister, J. & K.
6. Shri B. G. Ghade, Minister for Rural Development and Forests, Maharashtra.
7. Shri N. M. Tidke, Deputy Minister for Rural Development, Maharashtra.
8. Shri Sitaram Jajoo, Deputy Minister for Community Development, Madhya Pradesh.
9. Shri B. D. Jatti, Chief Minister, Mysore.
10. Shri H. C. Linga Reddy, Deputy Minister for Planning and Development, Mysore.
11. Shri L. P. Misra, Minister for CD & NES & Gram Panchayats, Orissa.
12. Shri Gurbanta Singh, Minister for Community Development, Panchayats and Cooperation, Punjab.
13. Choudhry Dalbir Singh, Deputy Minister, Community Projects and Irrigation & Power, Punjab.
14. Dr. R. Ahmed, Minister for C.D. and Extension Service, West Bengal.
15. Raja Bajrang Bahadur Singh of Bhadri, Lt. Governor, Himachal Pradesh.
16. Shri Bhagwan Sahay, Chief Commissioner, Delhi.
17. Shri N. M. Patnaik, Chief Commissioner, Tripura.

## APPENDIX IV

### LIST OF SPECIAL INVITEES PRESENT

1. Shri V. T. Krishnamachari.
2. Shri G. L. Nanda, Deputy Chairman, Planning Commission.
3. Hafiz Mohd. Ibrahim, Minister for Irrigation and Power.
4. Shri S. K. Patil, Minister for Food and Agriculture.
5. Dr. P. S. Deshmukh, Minister for Agriculture.
6. Shri Manubhai Shah, Minister for Industry.
7. Shri Shriman Narayan, Member (Agriculture) Planning Commission.
8. Shri C. M. Trivedi, Member (N.R.) Planning Commission.
9. Shri T. N. Singh, Member (Industry) Planning Commission.
10. Dr. A. N. Khosla, Member (Education) Planning Commission.



GMGIPND—L(NS)—52 C.D & C.—23-1-61—1,000